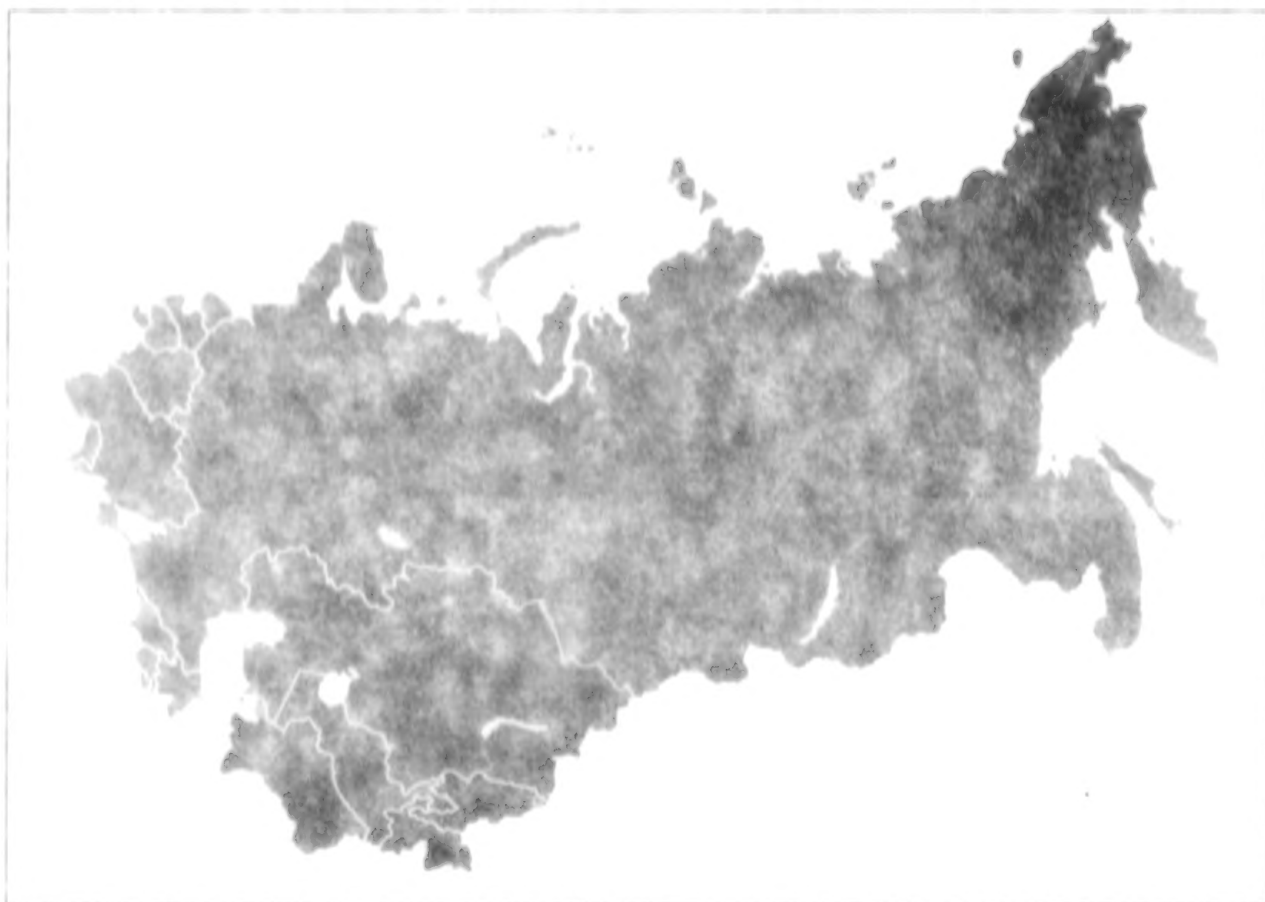




FBIS USR 92-042

15 April 1992



CENTRAL EURASIA



FBIS Report: Central Eurasia

FBIS-USR-92-042

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Russia's Geopolitical Choices as CIS, Eurasian Power Examined

924C 10894 Moscow NEZAVISIMAYA GAZETA
in Russian 26 Mar 92 p 4

[Article by Aleksey Bogaturov and Mikhail Kozhokin. "Geopolitics": "Russia's 'Eastern Question' Permanent Allies or Permanent National Interests?"]

[Text] Perhaps the most important political result of the first six months of the new government in Moscow was that they revealed the real correlation between disintegrative and unifying aspirations within the territory of the former USSR. Under M. Gorbachev it seemed that Moscow was under siege, opposed by 15, then 12, then finally by only seven "sovereign" republics concerned with just one thing: to escape the Kremlin's smothering embrace as quickly as possible. The former president did everything in his power to restrain those tendencies at the local level.

B. Yeltsin opted for an "asymmetrical response." Russia decided to secede from the USSR itself, and in early December 1991 signed an agreement in Minsk declaring a union of the three Slavic republics. The results of the shock which that reverberated through Central Asia and the Transcaucasus are well known. And so Alma-Ata concluded the agreement which created the CIS. Yet the question of Russia's regional priorities were not only not cleared up as a result, they actually became even more thoroughly confused.

There are in fact many in society who support the "European" option. They deem it necessary to defend the East Slavic foundation of the future community at any cost, regarding that as a natural counterweight to its "Eastern component" with its rapid population growth and economic backwardness. They even have their own striking slogan. "Without Ukraine there is no Union," said the creators of that slogan, M. Gorbachev and B. Yeltsin, thereby granting Kiev the same "special" and "exclusive" rights which President Kravchuk never tires of accusing Russia of usurping.

Yet the Ukrainian-Russian-Byelorussian triad is only one of the likely scenarios (and an increasingly unlikely one) for the possible foundation of a highly unstable CIS. Does that mean that Russia should give up the idea of the CIS, even in a form, unfortunate as it may be, which is greatly weakened in comparison to what was originally envisioned?

To paraphrase an eternal truth, Russia has no permanent allies. Russia has permanent national interests. Today the first of those interests is how to preserve a potential realm for integration, the form of which remains to be worked out. Nevertheless, the idea of a CIS which to all appearances is far from perfect could become a starting point for future efforts.

The CIS can be viable only to the extent that the republics strive to rely on each other. It will be bad if

Ukraine is among those who do not wish to do so. But it would be worse if for the sake of dubious attempts to placate Kiev Moscow fails to notice how it is losing the trust and attention of its Asiatic neighbors, its companions on the road we have traveled together. Or if it should thoroughly alienate Kazakhstan, the primary stabilizing force in the entire CIS and the only republic which is demonstrating in practical ways that it is possible to find a solution to the postcommunist crisis.

In the final analysis not all the interests of Moscow, Kiev, and Minsk coincide. There are also those interests which draw Russia and the East together. This is mainly due to the fact that the aspirations of the Slavic republics are unfolding in dissimilar geopolitical realms. Russia is a huge Eurasian power, while Byelorussia and Ukraine have historically developed within the context of a European orientation.

Russia acquired its global geopolitical functions thanks to its intermediate positions between the traditional West and the East. And the Soviet global role, including the USSR's global strategic role, was to a large extent a product of Russia's role, something of which the people of Russia are in fact vaguely aware, not to mention the citizens of the other republics.

Only the Russian presence in contrast to, say, the British or any other European presence, remains stationary on the boundary where the European Christian world adjoins the realms of Islamic, Chinese, and Indian civilization, gigantic and unpredictable in their development, and which are by no means devoid of a geostrategic dimension, something which in and of itself could be considered a global challenge in view of the shift in the epicenter of world conflicts to an axis of North-South relations.

Objectively it is precisely Russia's geostrategic capabilities which allowed the world to change configuration during the period of the Soviet-Chinese conflict and, thanks to normalization of relations between the PRC and the United States and the West, to create the proper conditions for subsequent stabilization of the situation in East Asia, including normalization of Soviet-Chinese relations. The same geostrategic circumstances also restrained unpredictable shifts in the balance between China and India, moderated the latter's ambitions, and spared the Western world the necessity of being drawn into the game of preventing conflicts between the Asian super-giants.

The USSR was able to perform its stabilizing functions primarily due to Russia's geopolitical capabilities.

Even without any association whatsoever with the former Union republics, the Russian State could of course play a worthy international role by dint of geopolitical factors. But that role will be all the more significant the more capabilities Russia is able to inherit from the now-defunct Union. And those capabilities will undoubtedly be greater in free and democratic association with those republics which themselves opt in favor

of preserving a common economic and strategic space with Russia than they would be alone.

Chief of MFA's CIS Department Outlines Policy Objectives

924C1090A Moscow MOSKOVSKIY KOMSOMOLET
in Russian 24 Mar 92 p 1

[Interview with Aleksandr Alekseyevich Avdeyev, Russian ambassador and head of the Russian MFA CIS Department, conducted by Mikhail Gurevich; place and date not given: "Forget About the USSR: The Russian Ambassador Will Be Renting a Fine Mansion in Europe"]

[Text] By force of habit we will keep on calling ourselves the Soviet Union for a long time. It is time we got out of the habit. The Russian Ministry of Foreign Affairs [MFA], which previously had a European Department, an American Department and so on, has now added a CIS Department.

It did not just spring up out of nowhere: at Eduard Shevardnadze's initiative the USSR MFA had already created a small administration to handle the diplomatic affairs of the Union republics, consulting with local MFA's, providing information, laying the groundwork for mutual relations, and organizing joint meetings at the ministerial level. Then the Soviet Union disintegrated and the former Union republics began to enter the international arena, and so the Russian MFA felt the need to create a special agency focusing on the Commonwealth.

In late February Aleksandr Alekseyevich Avdeyev was appointed head of the CIS Department. He is 46 years old and has spent 25 of those years working in the MFA. According to him he has climbed the whole service ladder from an ordinary consultant to ambassador. He feels that he has been lucky because he got to work with Shevardnadze, Vorontsov, and Adamishin. His previous post was connected with France and Belgium, and for three years he served as the USSR's ambassador to Luxembourg (incidentally, his replacement was Chingiz Aytmatov). Now he handles CIS affairs.

[Avdeyev] I would like to point out three aspects of our current efforts. Firstly, the establishment within the ministry of a solid structure consisting of two large administrations. The Administration for Commonwealth Relations is charged with developing Russia's bilateral relations with all the CIS members. There will be a Ukraine Section, a Transcaucasus Republics Section, a Kazakhstan Section, and so forth, just as the MFA has, for example, a France Section. And the CIS Administration will deal with all the multifaceted processes within the Commonwealth: preparations for meetings of heads of states and governments, and conventions and protocols on all issues.

The second aspect is the opening of Russian embassies in the CIS countries. The most important thing is to find

buildings for Russian embassies in those countries and to draw up documents on establishment of diplomatic relations. We already have an embassy in Ukraine, and right now our groups are at work in Yerevan and Kishinev, looking for appropriate buildings.

[Gurevich] What about people? Like it or not, there are 14 new countries. By the way, are Georgia and the Baltic republics among your duties?

[Avdeyev] Lithuania, Latvia, and Estonia have been categorized with the Scandinavian countries. But the CIS Department does deal with Georgia.

At the present time we are actively seeking candidates to serve in our embassies. We need the most skilled and respected diplomats, those who have worked in Western Europe and the Eastern region, as well as good specialists and analysts. They are needed precisely because we are dealing here with one of the most important areas of our foreign policy.

[Gurevich] How do your colleagues feel about that? After all, moving from Italy to Belorussia...

[Avdeyev] Of course that is also a problem, but it is not the principal problem. For our Eastern specialists, for example, working in the Central Asian republics is just as interesting as working in other states in that region.

And, finally, the third aspect of our work: helping the permanent representations of the former Union republics in Moscow become full-fledged embassies. They are our partners, and we are meeting and working with them. Russian embassies abroad are also doing a great deal to assist the members of the CIS. Soon the republics' permanent representatives will become ambassadors, present their credentials to the president of Russia, become active participants in the Moscow diplomatic corps and enjoy all the privileges, rights, and immunities set forth in the Vienna Convention of 1961.

Work on Polish-Russian Treaty Nears Completion

924C0946B Moscow KURANTY in Russian No 44,
5 Mar 92 p 4

[Article by M. Bredis: "Good Neighbors—Let's Combine"]

[Text] A delegation of Polish experts which engaged in elaboration and discussion of a packet of documents in the sphere of Polish-Russian relations, together with the Russian side, completed negotiations in Moscow. Among the documents being prepared are treaties on good-neighbor relations between the two states, the withdrawal of troops of the former USSR from the territory of Poland, and collaboration of Poland and Kaliningradskaya Oblast.

In a meeting with correspondents the head of the delegation, A. Ananich, director of the Department of Europe of the Polish MFA [Ministry of Foreign Affairs],

stated that work on preparation of a treaty on good-neighbor relations between Russia and Poland has been practically completed. Final details will be refined at the forthcoming meeting of ministers of foreign affairs of both countries.

One of the most complicated problems is the withdrawal of troops of the former USSR from Poland and mutual settlement of accounts connected with this. According to A. Ananich, experts have not yet been able to determine methods for such accounting. We are speaking about ecological damage inflicted on Poland by the presence of Soviet troops and also about determination of the value of Soviet facilities to be left behind. Some of those facilities were built directly by the Soviet Union. Agreement has almost been reached on this point. There are also Polish facilities occupied by Soviet troops. There are several variants of the methodology. Agreement will be reached as soon as a variant acceptable to both sides is found.

Problems of Dividing Assets of USSR Embassy in Belgrade Examined

924C1059A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 26 Mar 92 p 3

[Article by correspondent V. Gorlov under the "Former USSR Mission in Yugoslavia" rubric: "A House Full of Ambassadors: Time To Divide the Chairs"]

[Text] Belgrade—All that remains is one more pillow. "Shall we split it?" asks the husband belligerently. "Split it," the wife responds resolutely. "Cut it up, let us count the feathers."

This joke was told by Vitaliy Koldovskiy, counselor/ envoy of the Russian Embassy in Belgrade and it was relevant to the subject of our conversation. The orders came from Moscow to make an inventory of all possessions of the former Union so that they could be divided. But how can you divide, into 15 equal parts, an old calculator, for instance, and a rusty Zhiguli car that belong to the news agency office?

We lived together over 70 years, Yugoslavia did it for 40. It is understandable that a lot of goods have accumulated meanwhile, including our holdings in other countries. Embassies, houses, land, cars... We are still preparing for our divorce trial, which I think will be quite sensational, but in Yugoslavia it is already taking place.

Really, how can one building be divided among five republics? To what criteria can you adhere? Should you try to establish, with the naked eye, how many bricks in the walls are Croatian and how many are Macedonian? The SFRY residence in Paris is one of the most splendid—it is valued at \$7 million. At some time in the past, this building was given as a personal gift by the French Government to King Alexander. If that is the case, thinks Belgrade, it should belong to Yugoslavia because the king was a Serb. The same "law" covers the SFRY

Embassy in Cairo. It was bought by Peter II Karadjordjevic during World War II when he lived there in exile. But the Cairo residence was given to Josip Broz Tito by 'Abd-al-Nasir. "Tito, incidentally, was a Croat," caught on Zagreb, "and this means..." This means that, thinking along the same lines, the luxurious mansion in New York, with an estimated value of tens of millions also, should be given to Zagreb. It was donated to Yugoslavia by a Croatian emigrant. Belgrade understood that the idea of gift giving did not hold water and declared sarcastically: "If you are using the fact that Tito was a Croat as your basis, then all of Yugoslavia should belong to Croatia!"

The Yugoslav divorce case would most probably be heard by the International Court in The Hague. Only three solutions seem to be realistic. The building can be assigned for mutual occupancy, even though it is very difficult to imagine the diplomats of, say, Yugoslavia and Croatia housed under one and the same roof. The usual exchange with mutual concessions can take place. All the assets in other countries can be sold and the money split. The easiest scenario is a losing one for every side, however. They would not be able to build even a barn in the country with the money that they can get from sales.

Well, can our own states afford construction? Now that everybody has learned to count the money and discovered how little of it there is, the Russian Ministry of Foreign Affairs has started some serious thinking also and it is lamenting over what cannot be brought back: If we only knew to save money before.

The reduction of personnel that took place in the Soviet Embassy in Yugoslavia, for instance, was purely symbolic. They eliminated... vacant positions. The Ministry of Foreign Affairs orders of last fall about further reduction of personnel scared many of the diplomats. But fortunately, the document has disappeared somewhere between Moscow and Belgrade. The offices are as full of people as before. It seems that somebody else and not Russia is financing our foreign missions. The country does not have any hard currency to buy medicines, or to send our major scientists on business trips, the news offices of major newspapers are closing down now... But there is enough hard currency for dozens of bored clerical and service personnel, and for experts who could have been hired from among the local population for a lot less money. Our embassy in Yugoslavia is not the only one that has remained a shelter for people who are very far from diplomacy but who cannot live without being paid in dollars.

Vitaliy Koldovskiy and I discussed the same subject last year. He said then with conviction: "The embassy has no need of its current staff. This staff is too hard to handle and it will only help to reduce it by no less than about 40 percent. But it can be only done on condition that we keep our best people. We have them in Belgrade too. It is in their offices that the lights do not go out till midnight.

But it might be that some such valuable employees will have to retire and go home."

Can a country live without a Russian (Ukrainian, Byelorussian, etc.) Embassy? Yugoslavs have already resolved this issue within their own country and they are doing it. At present, one embassy known as "the center one" is serving six or seven countries and everything seems to go normal. Sweden, for instance, offered another unexpected solution allowing money to be saved: Some of its ambassadors live in Stockholm and visit their countries only when they accumulate some work to do there.

"I think that Russian diplomats could represent the interests of many new states of the former USSR," thinks Vitaliy Koldovskiy. "They could do it very professionally. As for the Ukrainian Embassy, which is probably necessary, it could be accommodated in what is currently the Russian building. There is enough room for everybody. We are not strangers after all..."

This is what Vitaliy Koldovskiy thinks. What about Kiev? It is hardly just a coincidence that diplomats keep hearing rumors of a possible division of all possessions. These rumors have even reached Paris. The daughter of a former commandant of Sevastopol, admiral of the tsarist navy Stepanov, Kseniya Ivanovna Pavlova, now lives in the Serbian city of Zrenjanin. She sent me an article from the RUSSKAYA MYSL newspaper.

"There are rumors," says the article, "that one of the new sovereign states would like to take over a building from the Belgrade embassy when they start cutting up the Soviet 'cake.' Before World War II this building was known as the 'Russian House' named after Emperor Nicholas II' and after the war it became the House of Soviet Culture. This news is disturbing for everyone but especially for the artistic people and for the descendants of Russian emigrants who still preserve memories of the time when the building was the center of a Russian emigrant's life in Belgrade."

The building of the House of Culture is standing in the center of Belgrade and it is the most valuable asset of all that the Soviet Union had in Yugoslavia. But the main thing is not even the money. The building is valuable as a memory of the Russian people. In the 1920's, Yugoslavia gave shelter to its exiled Slav brothers and King Alexander allocated some money for construction of a Center of Russian Culture. He personally followed its construction. The edifice accommodated the Russian Science Institute, a public library, the Russian cavalry museum, Russian/Serbian grammar schools for boys and for girls, an elementary school, societies of musicians, artists, etc. This house became a Russian island, the last home of the dead Russian emigres. You can imagine the feelings of those who survived the war when the Communists came to power in Yugoslavia in 1944 and started their atrocities. Russian House employees were interrogated and taken away to some place from where they did not return, museum exhibits, precious archives,

and the library (the second largest in Europe after Turgenev Library in Paris) were confiscated.

The home of Russian emigration became the House of Soviet Culture. Time has not changed the building. There are huge halls, a beautiful assembly room, marvelous exhibition premises, and an almost oppressive silence from morning till night. The library alone draws some interest and films are shown sometimes once a week. Is it needed, such a house of culture? Is it worth the enormous sums of money spent on wages for its enormous staff? Nobody wants it in this form, of course. It is needed in its original form, the way it was conceived and the way it existed at first. But the instructions from Moscow are too few, the "soviet culture" is too precious, that same culture which has always replaced things spiritual with slogan pomposity.

The House of Culture in the center of Belgrade is the Russian destiny and nobody has the right to turn it into an office. This is what they think in RUSSKAYA MYSL, this is what the Russian emigrants think, and the Belgrade residents, too. If only Moscow thought the same...

But Moscow is thinking about how to split its possessions. One has to presume that the thinking is done under a certain pressure from Kiev. It is always simpler to separate. If only the separation were profitable. The Russian Embassy is prepared to share quarters, to offer help and friendship as before. This must be the real diplomacy: Put aside all ambitions for the sake of business, the most important thing.

Cuban Refugees Emigrating to Miami Seek Aid in Russia

924C1090B Moscow, NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 3

[Article by Leonid Velekhov: "Refugees"]

[Text] What must surely be the most incredible political emigration route of the 20th century has been traveled. The first refugees from Cuba have now begun arriving in Russia. But they do not intend to request asylum here—they want to continue on to Miami. Their choice of such a long route—20,000 kilometers—is due to the fact that it is much easier to travel to Russia by personal invitation than it is to visit the United States, and it is in Russia, which has now established good relations with the Cuban emigrant community in Miami, that the refugees hope to find aid and support. Thus far it seems that their hopes were not justified, since as of this time no one has undertaken any efforts to send them on to Miami. It is clear that those efforts should be made by the most powerful Cuban emigrant organization: the Cuban-American National Fund in Miami. If one considers that the first voluntary emigrants from their homeland appeared at Sheremetyevo Airport two months ago, dressed in summer clothing, not speaking a word of Russian and without a kopek in their pockets,

then it is clear that their position is an unenviable one. At the present time there are already approximately 30 such refugees here.

Report on Attack on Cuban Police Elicits Envoy Reaction

Correspondent Suggests 'Provocation' by Authorities

924C0839A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Feb 92 p 4

[Article by Leonid Velekhov: "Dances of Rage Continue"]

[Text] The last of four policemen upon whom an armed attack was conducted 9 January by a group of Cuban citizens near Tarara, a small beach town, has died in a Havana hospital from wounds inflicted. The attackers, including two women, had tried to gain access to the property of a yacht club guarded by police, with the aim of seizing some kind of navigable device on which to flee to the United States. This official version of the event gives rise to a great many questions, as NEZAVISIMAYA GAZETA has already reported, beginning with the fact, defying explanation, of participation by women in an armed assault, and strongly smacks of provocation fabricated by the Cuban authorities with the aim of incurring the holy rage of the laboring masses upon the heads of "turncoat-fugitives" and "enemies of the people" like them, thereby distracting the attention of the masses from the real problems of today. The death of the last witness to the events multiplies the number of questions raised.

All the same, the Cuban regime contrived in its manner to take advantage of this death too, turning the policeman's funeral into a huge rally of anti-American and antidissident substance, and ending in yet more "dances of rage" on the part of the 200,000 Cubans gathered in Revolution Square with fists raised over their heads.

Cuban Envoy Balaguer Responds With Letter

924C0839B Moscow NEZAVISIMAYA GAZETA
in Russian 3 Mar 92 p 4

[Letter to NEZAVISIMAYA GAZETA from Jose Ramon Balaguer, ambassador extraordinary and plenipotentiary of the Republic of Cuba to Russia]

[Text] To the Editor in Chief, NEZAVISIMAYA GAZETA

Using the right of rebuttal afforded by the Law on the Press, I request that you publish the following commentary concerning Leonid Velekhov's article which appeared in issue No. 34 of the press organ you direct.

"Velekhov has heaped a lot of dirt on Cuban-Russian relations and on Cuba. In view of the coarseness of his attack, a reply is not merited. However, his reporting of a terrorist act in which four young associated Cubans

were killed in cold blood surpasses all the previous fruits of sick fantasy produced by this man, whose work has nothing in common with journalism.

Velekhov takes on too great a responsibility when he accuses the Cuban authorities of fabricating a provocation without a shred of supporting evidence, and when in addition he casts doubt upon the circumstances of death of the last of the four to survive, whose life a team of doctors consisting of over 70 people fought to save over a period of more than 39 days.

It is regrettable that such a respected publication as yours, Mr. Tretyakov, is used to promote slander and arouse feelings of pain and indignation in a people and government friendly to Russia."

[Signed] Respectfully, Jose Ramon Balaguer, ambassador extraordinary and plenipotentiary of the Republic of Cuba to Russia

Editorial Commentary

924C0839C Moscow NEZAVISIMAYA GAZETA
in Russian 3 Mar 92 p 4

[Unattributed article: "NEZAVISIMAYA GAZETA"]

[Text] Espousing the principle of impartiality which appears in the motto of our newspaper, we publish the letter of Jose Ramon Balaguer, leaving on the conscience of the ambassador extraordinary and plenipotentiary the offensive attacks directed towards our commentator Leonid Velekhov, which poorly conform, we must state frankly, to the norms of diplomatic etiquette.

But Cuban authorities have long been accustomed to registering their enemies with either criminal or psychiatric authorities. Those they can get their hands on are sentenced and sent to prisons and psychiatric institutions; the others—those they cannot reach—are blackballed in absentia. Thus, for example, GRANMA, the newspaper of Cuba's Communist Party Central Committee, recently listed Nobel Prize laureates Oscar Arias, ex-president of Costa Rica, and Mexican poet Octavio Pasa among the ranks of the "feeble-minded" for their criticism of the Castro regime. Thus in the final analysis our commentator with the "sick fantasy" turns out to be not in really bad company, and this should console him.

As far as accusations of lacking evidence are concerned, well—the primary lack of evidence is in these accusations themselves, for invective is no argument. Whereas Velekhov's material sets forth quite clearly, we may say, both the official version of the infamous event and his personal doubts as to its plausibility. With his access to the world press, the Cuban ambassador must know that our author is not the only individual visited by such doubts. But by inertia, the Russian press apparently remains in some people's perception if not completely controlled, then at least subject to correction when threatening notes of protest, etc., appear. For it is difficult to imagine, for example, that a Cuban diplomat in

Madrid or Washington would send a letter of such content to some Spanish or American newspaper (which truly do not soften their language or spare "heated" words in characterizing Mr. Castro and his regime).

NEZAVISIMAYA GAZETA was one of the first publications to shed light on the "Cuban question," and has

since continued to consciously and steadfastly deal with it, analyzing the situation in Cuba and literally every incident of tyranny which takes place there. The newspaper attempts in this way to make its contribution to the campaign being waged on a world scale by the democratic press, which condemns the violations of human rights holding sway in Cuba.

POLITICAL AFFAIRS

New Law Will Coordinate Actions of President, Parliament

924C06554 Moscow NEZAVISIMAYA GAZETA
in Russian 8 Feb 92 p 1

[Unattributed report: "Briefly: Parliament Has Adopted a New Law"]

[Text] (ITAR-TASS)—A law that is inconspicuous in name, but extremely timely, was adopted 7 February by the Supreme Soviet at a joint meeting of the chambers—on the procedure for examining appeals to the parliament of the president of Russia. New statutes were added to the Regulations of the Supreme Soviet of the Russian Federation, which essentially boil down to the stipulation that the examination in parliament of draft laws and legislative proposals presented by the president, as well as his other appeals, begin with an address by an official representative of the head of state, demonstrating the necessity of adopting the draft that has been introduced. After hearing the conclusions of the appropriate parliamentary committees and commissions, the president's representative must be extended the opportunity to express his agreement or disagreement with the observations that have been voiced in reference to the president's draft or appeal.

The state advisor on legal questions, Vice Premier Sergey Shakhrai, speaking on behalf of Boris Yeltsin, confirmed that this kind of approach would undoubtedly ease relations between the president and parliament.

Ex-Apparatchiks Head Many Oblast Administrations

PM0304091792 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 92 First Edition p 2

[Letter from Boris Kudashkin, member of the Union of Journalists, under the rubric "Two Letters on a Single Theme": "Bolsheviks Ruling the Roost"]

[Text] I am not naive and I realize that in the political struggle there must be compromises. But I would also point out that since the putsch of August 1991, when the CPSU ceased not only to hold sway but also to exist as a legal entity, Yeltsin and his supporters needed to resolutely and uncompromisingly announce the partial disfranchisement of CPSU cadres—its city, rayon, oblast, and kray committee secretaries, department chiefs, and their deputies. For example, by establishing a rule that these cadres can no longer work as leaders either in soviets or in economic structures. And doing everything to restrict their canker to business.

It should be stipulated that this applies only to apparatus workers and that others, the "CPSU-ite" cadres of the CPSU's academic institutions, should be exempt from that ban. The main danger of the party apparatus lies in its bolshevist fury and intolerance. The sorry circumstances of the present reform have shown this and continue to do so. There are numerous facts which demonstrate that wherever obstacles are placed in the way of the new Russian leadership's transformations it is not a question of "cherchez la femme" but of "cherchez le partyocrat." Wherever there is a commotion or a lumpy rally, there you will find the erstwhile followers of the CPSU in the apparel of the new pro-Communist parties. Do you need examples?

At a recent rally in Voronezh, its organizers—members of the Socialist Party of the Working People of Russia, the Russian Communist Workers Party, and the so-called "Union for the Defense of Socialism"—unfurled their slogans and banners: "Yeltsin is a CIA agent," "Gorbachev is a traitor," and so forth. Speakers, including Korneyev, now chairman of the Socialist Party of the Working People of Russia and former first secretary of a CPSU rayon committee, and Korneyev's comrades in the old party and the new party: Tolcheyev, the cochairman; Kabakov, chairman of a DOSAAF [Voluntary Society for the Promotion of the Army, Aviation, and Navy] rayon organization; Khonenev, a Cossack propagandist; called not just for the resignation of the Russian Government but also the abandonment of the transformations and urged a return to the past.

To ensure the massive scale of the destructive action on 9 February (strikes and pickets against the policy of the Russian Government, a hunger march, and so forth), the "Mostozavod" abruptly reduced the engineering and technical staff by 50 percent and the workers by 30 percent. The remaining workers were rapidly sent on unpaid leave. The force of hungry and unemployed people incensed by losing their jobs were then sent to a protest rally. It was a similar picture at the "Voronezhsmash" plant.

In Novyy Oskol in Belgorod Oblast, members of the same procommunist organizations and former party apparatchiks are now openly calling for the overthrow of the White House government. The local city newspaper, each issue of which calls for civil disobedience, is adorned with malicious and inflammatory content.

It is difficult to explain the logic of what has happened, but an analysis of the statistics of the heads of administrations who previously worked as first secretaries of oblast, city, and rayon committees, heads of departments, and instructors of the CPSU is striking. The figures for oblasts and krays alone in the Central Chernozem Zone and North Caucasus are as follows:

a result, society has been deceived many times as to the true reasons for its humiliating existence.

An administrative apparatus is a leader's attribute. Figuratively speaking, the leader is the head, and the apparatus is his hands. It happens that the head works poorly, and it gets tired, but the hands work in the way that the head directs them.

As for the distribution privileges, it is the apparatus that is least of all interested in such a mediated form of payment for its labor. Official privileges are transient, they form a distrust of tomorrow, and they demand from the worker not so much honest labor as an ability to be liked by the manager. Thought should be given to a fact like this. A state official in the FRG cannot be discharged—he is protected by the law. There, the dominant influence of the apparatus is not feared, on the contrary, there is an interest in its stability and competence.

But here, the apparatus is continuously being manipulated in order to conceal the inefficiency of the work of superior officials. There is nothing simpler than to reduce it, which, by the way, has been done repeatedly. But without changes in the very principles of management, a reduction of the apparatus is reminiscent of cutting the crowns of trees, from which it becomes even more luxuriant.

The symptoms of the new dictatorship that alarm everyone are not the powers of the apparatus, but the swelling state-administrative leadership. At first, there were the presidents and, afterwards—mayors and representatives of the president locally, who have been nicknamed governors by the people. Next is the rebirth of the institution of city chiefs of police and village constables, who recognize only the constitution of Domostroy [rigid patriarchal code of laws of the 16th Century]. And their gold braid should not be confused with the green cloth of bureaucrats who are inclined to servile respect for the apparatus.

Is it the apparatus that gives the command to cover hectares of residential quarters with a "volley"? Was it the soulless OMON [Special Mission Militia Detachment] that did not permit the people of Moscow to pay their last respects to the remains of a soldier on 23 February? Was it the ordinary bureaucrat who made the decision on the liberalization of prices with an artificially slowed down privatization of property? No, all of these things were brilliant inventions of senior administrators who overstepped their jurisdiction and responsibility. A clever apparatus only exploits the gifts of an ignoramus and the incredible conditions created for him under which it would be stupid not to take bribes, naive not to take advantage of privileges, and laughable not to take care of someone close. One immediately recalls the remark of Bakunin: "It is difficult and almost impossible in Russia for a bureaucrat not to be a thief."

Power is an attribute of property, and any modifications of the administrative structures are derived from it. It

was Proudhon who said long ago that social law itself proceeds from economic law. As long as our property is nationalized, the concentration of authority in the hands of an administration inevitably will be turned into a monopoly of the ruling clique, that is, into a dictatorship. But an artificial breakup of representative organs, for which the creators of a new constitution are calling, will only bring such a finale closer. Administrative authority paralleling the soviets, which is quickly being formed by the presidents, is a path to totalitarianism. And it is the duty of democratic forces to warn the people from where the brown danger can really come.

Let no one be comforted by the thought of the limited term to which presidents, mayors, and their deputies are elected. During this "limited" period, an administrative machine will be created that will put all political freedoms in doubt, and it will make little bells for a fool's cap of democracy out of the instrumentalities of the lauded multiparty system.

Already today, many of the structures of official authority are becoming impenetrable to normal criticism. The bright epoch of a free press has ended and has been placed on its knees by a wild market. On television, all of the faces are familiar, and there is a nonadversarial tea-drinking between the authorities and correspondents. Rallies are gradually being restricted to residential blocks, and the right to each of these is given only with a fight.

Representative organs are beginning to be viewed as consultative soviets under the presidents, like the institution of viziers under a sultan, and not the plenipotentiary representatives of the people. Khashulov's alarm concerning the incursion of the government on democracy was belated—the final act of the privatization of power is already under way.

Instead of an opposition that is dying down under administrative pressure, blocks of government support and social movements in defense of the authorities are being created. "State people" willingly agree to head them. The qualified apparatuses of administration, generously financed from the state budget, are becoming the invisible spring for such social movements, whose names and slogans are hired. There is an obvious delay in the regulation included in the draft law of the Russian Federation "On the Kray, Oblast Soviet..." about the inadmissibility of administrative managers to be elected members of party administrations and of movements. It would be useful to apply such an approach to all independent states. Otherwise, the well-thought out diversion on the nationalization of political parties and social movements will deprive democratic forces of an opportunity to criticize the authorities and to form a constructive opposition, and it will create ideal conditions for the formation of a dictatorship.

There is a need for comprehensive studies of new models of authority. It is already apparent that the privatization and auctioneering of property in an impoverished

country cannot be an "avalanche." Destatization will take a whole epoch in our history. In view of this, a transformation of the power structures must proceed, and there must be a realization of the danger of a once-only elimination of representatives organs for the benefit of individual administrators.

An attempt is now being made to involve the people in a new period of voting, and the question is being asked about an early and general replacement of authorities. It should be examined not so much from the aspect of a critical assessment of the currently existing authority, as much as on the basis of an actual absence of a "second echelon," a reserve of authority.

One of the arguments presented is the need to form a soviet on a multiparty basis. But this is clearly offered without an analysis of the real status of the multiparty system, and without taking into account the discreditation in our country of the institution of political parties in general. A majority of the independent states do not have laws on parties and the mechanism for their participation in elections. An overwhelming part of the population now does not belong to a party. Responsible people cannot help but realize: Society is not ready for elections on a multiparty basis.

The real slogan of the democratic forces is not to change authority early, but to form a strong and open opposition, in whose midst alone can a reserve of authority and its change come about. Opposition—such as factions in parliaments, coalition governments, and shadow cabinets in the strongest parties and social movements. The institutions of opposition should become just as natural and necessary a supplement to acting authority as are criticism in art, opponents in science, and inspectors in production.

The appeals for a simultaneous change of authority, given our huge scales, means, moreover, an artificial gathering of the complex range of political situations in various regions into one center. A strengthened centralism of administration, which is already capable of manipulating public opinion, gives itself away completely in its propensity for over-organization.

A wholesale early change of authority—on command from the center—is the symptom of a low political culture. Moreover, legislation in force contains a democratic mechanism for the recall of deputies, mayors, and presidents, which can be utilized "individually." And it is not necessary to rock the whole boat, when it is necessary to replace one or two weak oarsmen.

The idea of early and general elections is the swan song of the populists and an attempt through new rally cries to muffle the hunger moan of the people and to offer it a spectacle instead of bread. We have already changed so many horses at the crossing! But we have not tried the simplest method: Should we not whip the old horses with the reins of a still existing representative authority and buck them up with the strong word of a democratic

opposition? And only then replace those who are not pulling. Otherwise we will not get to the other shore.

RPR Intends To Establish Centrist Bloc

924C1067A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Mar 92 p 2

[Report by Natalia Gorodetskaya: "The DPR and NPSR Bloc Is Temporary—Believe Leaders of the Republican Party of Russia, Who Thus Decided To Create Another Bloc of Centrist Forces in Support of Democratic Reforms"]

[Text] It appears that it will indeed be created on 4 April at the Russian Federation's Citizens Assembly, and it will be truly centrist, unlike the Democratic Party of Russia [DPR] and the People's Party for Free Russia [NPSR] bloc. As Vladimir Lysenko, cochairman of the Republican Party of Russia [RPR] announced at the press conference on Thursday, "the intent of the RPR activities is to create a powerful, constructively aimed political center that could serve as an opposition to the government and at the same time support the strategic course of democratic reforms." For the first time, the DDR [Democratic Reform Movement], Democratic Russia, the RPR, the NPSR, and Social Democrats are working together in the organizational committee making preparations for this assembly.

The Republican Party of Russia—as actually do all others—believes that the main issue right now is what kind of a state Russia is to be. Believing that the DPR and the NPSR's view of the future of Russia as a unitary state is incorrect—moreover, it is harmful, since it can only lead to violence—the RPR states that the Russian state can only be built on a federative basis, "on the independence and broad powers of the lands—on the principle of administrative division of Germany." In this case a federation treaty will help to remove disagreements between the autonomies and oblasts inside Russia. Right now, according to the latest sociological survey of the Monitor service, 47 percent of the respondents in Tatarstan will vote for independence at the referendum, but more than half of them do not want to secede from Russia. According to Lysenko, the national-radical circles in Tatarstan already have a plan for removing Shaymiyev from power, electing a new Tatarstan parliament and the republic's secession from Russia if the majority answers the vague question positively. Russia is doing everything to stop it: Yeltsin has appealed to the parliament of Tatarstan, and today his speech on television with the appeal to the republic populace is planned. In the opinion of RPR leadership, only the signing of the federative treaty will help to solve this problem—if all republics sign it. Tatarstan will be left isolated. In this case, it also will be possible to resolve another complex question—the creation of the Siberian republic.

Thus, in the opinion of Vyacheslav Shostakovskiy, Russia must be preserved as a federation of peoples and

states, which "should be a part of it on the basis of their free choice." In this case, however, the center will have to share the power with the regions.

The multifaceted Russia conference, being held by the Republican Party on 3 April, apparently should affirm the correctness of the conclusions of its leaders and will help in creating the bloc.

Goals of Neocommunist Factions Outlined

Kosolapov Sketches Views

924C1023A Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Article by Richard Kosolapov: "Gorbachev Avoided Talking to Me Eyeball to Eyeball"; entire page, with overall title: "Who Is Under the Red Banner?"; under rubric: "Society," prepared by LITERATURNAYA GAZETA commentator Aleksey Shishkov]

[Text] Rallies are being held and are being banned, congresses are convening and are being recognized as unconstitutional, but the political forces in society remain.

They arise and develop in accordance with their own laws, which at times are incomprehensible not only for an individual, but for the government, the parliament, analysts, and political experts. There is no doubt that today in Russia the procommunist forces constitute that vector that cannot fail to exert an influence upon the course of social life. An example of this is provided by their rally on Manezhnaya in Moscow on 17 March. And this influence is not being eliminated by bans. Rather, it is just the reverse.

We certainly have no intention of joking or waxing ironic about an ideology that became so imbedded in the nation's genetic code and that is continuing to rule over the minds of hundreds of thousands of people. The opponent is too serious not to give the floor to him, while reserving for ourselves the right to make comments.

From an interview with retired general Albert Makashov:

"Am I really to believe that you take seriously your membership in the Central Committee of the new Communist Party as true service to the nation? What about the lessons of history?"

"I believe that real Reds will come, real Reds who are ardent supporters of their nation and its interests. Currently a bourgeois dictatorship is in power, and that dictatorship itself is creating a revolutionary situation against itself."

He was a member of the CPSU Central Committee, the editor in chief of KOMMUNIST magazine, and is currently a professor at MGU [Moscow State University], a member of the Central Committee of the Russian Communist Workers Party that was founded in November 1991 in Yekaterinburg, and one of the leaders of the Communist opposition.

The Western press has called me "Gorbachev's first victim," and this definitely requires an explanation.

As everyone knows, Mikhail Sergeyevich came to work in Moscow in 1978 as the CPSU Central Committee's secretary for agriculture, but the branch that he administered never did get on its feet, and the Food Program that was adopted in May 1982 (many people viewed it as Gorbachev's "doctoral dissertation" in big politics) was a brilliant fiasco. Gorbachev became general secretary with minimal political baggage, with practically no merits, thanks to the game of immanent apparatus forces and his own career shrewdness.

My business relations with Mikhail Sergeyevich were superficial and brief. They did not last for long—in the summer of 1984 Gorbachev met several times with the working group to prepare the new edition of the CPSU Program. He avoided talking to me "eyeball to eyeball." The disgrace began in late July 1984 and I heard Gorbachev's abusive expressions directed at me only as they were conveyed to me by others. It was even said that the CPSU Program, considerably spoiled by the "accelerationists" and the "marketists" before its adoption by the 27th CPSU Congress, nevertheless was not to the general secretary's liking because it had not been completely cleared of its "Kosolapovism."

I listened with special attention to Gorbachev's speech at the first session of the Program Commission. The speech given by the person who at that time was the Central Committee's second secretary was completely empty. The same situation prevailed in the course of the discussions with the working group. Mikhail Sergeyevich's basic comment with regard to the already prepared draft consisted in giving a slightly more reasonable and slightly more respectful revelation of Lenin's role in creating the party and the Soviet state, and in developing their tactics and strategy. He also took a cautious attitude toward the idea of eliminating the differences among the classes and spoke out against Lenin's principle with regard to the rapprochement and fusion of nations. In subsequent years he returned repeatedly to that "harmful" theory, attempting to heap onto it all the miscalculations and victims of his own national policy. By then I was already convinced of Gorbachev's inability to take actions into consideration on the historic scale of the Soviet Union and Russia, and of his profound provincialism, his banality of thought, and his propensity for responding to suggestions from outsiders.

On 27 January 1986, before leaving the editorial office of the now defunct KOMMUNIST magazine, I transmitted to M. S. Gorbachev, through A. I. Lukyanov, a letter in which I expressed my concern for the future. The letter contained a protest with regard to the "opposing of small-scale production—as something that allegedly is always more effective—to large-scale, and factually the discreditation of the nationwide form of ownership of the means of production."

I wrote that the editorial office of KOMMUNIST always considered it to be its duty to enlighten its readers primarily with regard to classic Marxism-Leninism, ridding it of the unnecessary and harmful accretions and admixtures, and to fight for its purity and creative interpretation under present-day conditions. I am convinced that it is precisely Marxism-Leninism in its primordial form, with its unfailing dialectical-materialistic methodology, that will make it possible to resolve the question of intensifying socialist production, which our strained and critical time requires.

In September 1986, already working at MGU, I attempted to publish my large work in which I proposed a scientific model of perestroika that was an alternative to the market model. But a secret instruction was in operation then, just as it is still in operation: don't publish anything by Kosolapov. In July 1989 I made my last attempt to prevent the catastrophe by appealing to N. I. Ryzhkov. I did not receive an answer. I was left with nothing else but to concentrate on my work of creating a political opposition.

Kogan on Rebirth Party

924C01023B Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Interview with Yevgeniy Kogan, by Lyudmila Sherova: "I'll Come When You Call Me"]

[Text] Yevgeniy Kogan was a USSR people's deputy from the National-Territorial District No. 450 (Tallinn), a member of the USSR Supreme Council, and leader of the Soyuz [Union] deputy group, and currently heads the Rebirth Party.

[L. Sherova] Yegveniy Vladimirovich, aren't you afraid that the initiators of and the participants in the congress of USSR people's deputies will be brought to court for their illegal actions?

[Ye. Kogan] Who could do that? Traitors! I cannot call them by any other name. Because they are usurpers who have illegally seized the power. They themselves are well aware of this, and therefore they cannot adhere to any legal standards. The only thing that they can adhere to is brute force. They are not a legitimate authority. They are violating their own RSFSR Constitution.

[L. Sherova] Who do you mean?

[Ye. Kogan] The deputies and President Yeltsin. Not a single one of them was elected for the purpose of destroying the USSR. Not a single of them had a line like that in his program. So they are also frauds. From the legal point of view, the action carried out by us is irrefragable.

[L. Sherova] What are you currently engaged in?

[Ye. Kogan] There's that mandatory question again. And it is the trump question: how are you paying for your hotel room? The answer is that I am working.

[L. Sherova] Where and as what?

[Ye. Kogan] I am a director of a corporation. Does that satisfy you?

[L. Sherova] What is the name of the corporation?

[Ye. Kogan] What difference does it make? We created the corporation together. We created a fund that pays grants to refugees, principally from Estonia.

[L. Sherova] Do you mean, then, that you are living on a salary?

[Ye. Kogan] Why are all of you so interested in this?

[L. Sherova] Also, why did you run away from Estonia, instead of fighting until the end?

[Ye. Kogan] Fighting from where? From behind bars? And who told you that I am not doing that now? To the best of my capabilities. But don't worry. We won't forget anyone or anything. And, when the time is right, we'll present a bill to those gentlemen, the Russian delegates.

[L. Sherova] Are you planning to return to Estonia?

[Ye. Kogan] When the nation's patience breaks and everything is swept away to hell, I shall return. Incidentally, I said the very same thing to a correspondent from an Estonian newspaper who kept needling me, asking me whether it was true that I was working with Nevzorov to create detachments in order to attack them. I told her that that was not so. "You're doing all this yourselves, my dear friends. All of it. So I'll come when you call me. That time will come."

[L. Sherova] How do you evaluate the situation in the CIS and Russia?

[Ye. Kogan] The CIS is a heap of petty princelings who have seized the power. Each of them is well aware that their power is illegal, and for that reason each fears the other. What lies ahead for them is a struggle to divide the spoils and to see who will gobble up whom. As far as Russia is concerned, the very same problems exist there.

[L. Sherova] How do you evaluate your Rebirth Party?

[Ye. Kogan] For the time being, I evaluate it as a very weak party organizationally and from the point of view of finance. There are no mandatory membership dues. But it is slowly gaining strength. Incidentally, it is made announcements about itself by its very good actions. Our members took the most forceful participation in the picketing of the permanent representations, in the breakthrough to Red Square, and, the most recent action, the torchlight march that ended with the skirmish with the OMON [Special Purpose Militia Detachments].

[L. Sherova] How many members do you currently have?

[Ye. Kogan] Something of the order of 6000 persons.

[L. Sherova] Are you planning to register the party?

[Ye. Kogan] Yes. We are preparing the documents.

[L. Sherova] What do you consider to be the party's chief task?

[Ye. Kogan] The party sees its goal in recreating a powerful state, a great power, because no one likes to crawl around on all fours, no one wants to be forced to get table scraps from the lord of the manor.

[L. Sherova] A great power in what borders?

[Ye. Kogan] In our borders.

[L. Sherova] The borders of the former USSR?

[Ye. Kogan] For you it's the former USSR, but for me it's not former. The governments currently are posing the main task—the annihilation of the Soviet nation. The Yeltsins, Kravchuks, etc. are engaging in this.

[L. Sherova] Is your party called procommunist?

[Ye. Kogan] That's what they call it. But when certain of the representatives of the democrats revile us, I think that everything is okay.

[L. Sherova] What prospects do you see for yourself and for the party?

[Ye. Kogan] Our party will come to power as part of a coalition. That is unambiguous.

[L. Sherova] In coalition with whom?

[Ye. Kogan] We shall have to search for that. This coalition will be a force.

[L. Sherova] Incidentally, might I ask why you are still living in the Moskva Hotel in Moscow?

[Ye. Kogan] Because this is closer to the epicenter, and it is here, I assure you, that we shall resolve our Baltic problems. Currently in Estonia, I think, arrest is awaiting me. But I'll be going there. Things can just wait there until the conditions are right. The mercenary public will not stay in power long—that's definite. I think that the time will come when it will be necessary to think a bit about the responsibility also of the mass media. I repeat what I said in an interview with MEGAPOLIS-EXPRESS, and what they failed to publish: I advise every journalist to look attentively into a mirror in the morning. Many of them will see a son of a bitch there.

Zyuganov on Russian Leadership

924C1023C Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Excerpt of statement by Gennadiy Zyuganov at 17 Mar 92 rally: "Once Again the Ones Who Are Running the Dance Are the Scoundrels and the Traitors"]

[Text] Gennadiy Zyuganov was a Politburo member and the secretary for ideology of the RKP [Russian Communist Party] Central Committee. Currently he heads the council of the Popular Patriotic Forces of Russia.

[Question] How did your life change after the dissolution of the RKP? Why did you engage specifically in political activity?

[G. Zyuganov] After they broke the party core, they transformed the great power into dispersed galaxies, into a SNGovik ["CIS-man"] that seemingly is growing in the sun [play on words: usual expression is "snegovik [snowman] melting in the sun"]. They took away from me, as they did from everyone else, my union citizenship and my work, and left me behind the artificial boundaries of my compatriots and my ancestors. Not a single country in the world has fallen apart without terrible bloody wars. Our country, crammed to the ceiling with nuclear warheads, will not be an exception.

Realizing that, I accepted the proposal that I head the council of the Popular Patriotic Forces of Russia, which also includes many creative organizations. That defines my vital status at the present time.

As for my work, I had a choice. For several years I had taught higher mathematics and philosophy at an institution of higher learning. I was given a persistent offer to take a job in the sphere of business with a salary that I had not previously dreamed of.

[Question] What is your attitude toward the reforms and toward the current leadership of Russia?

[G. Zyuganov] The political system in Russia has been turned into a Russian salad. Yeltsin is the first president in history who does not have his own party. His authority is melting before our eyes. If he is unable to form a highly professional government of popular trust, a government that reflects the national-state interests, then the situation can get completely out of control. As for the Gaydar-Burbulis government, it is doomed.

Communist Party Profiled

924C1023D Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Article: "How Many Communist Parties We Have"]

[Text] Socialist Workers Party (SPT)

The SPT was founded on 22 December 1991 at a congress in Moscow. It has proven to be most closely linked with the former party *nomenklatura* and, probably for that reason, has become the most amorphous of all the existing Communist groupings.

Valentin Kuptsov, former first secretary of the Central Committee of the RSFSR Communist Party, took active part in its creation. As a program, the "Gorbachev" draft of the CPSU program was taken as the basis of the SPT. The leaders of the SPT include A. Denisov and R.

Medvedev, former USSR people's deputies; V. Sevast'yanov, RSFSR people's deputy; and Ivan Rhykin, leader of the Communists of Russia deputy group. Most of the Communist Parties and movements, as a rule, refuse to cooperate with the SPT, accusing it of opportunism and social-democratic deviation.

Russian Communist Workers Party (RKRP)

The RKRP was founded on the basis of the orthodox Communist Initiative Movement (fundamentalist wing in the Russian Communist Party). The constituent congress was held in Yekaterinburg on 23-24 November 1991. The party is opposed to private ownership and hired labor. Its main task is the elimination of the parliamentary system and the restoration of the power of the soviets. It is oriented basically toward the workers. For that purpose the congress enacted a decision stating that half the members of the Central Committee would be representatives of the working class. However, for the time being, the share of workers in the new party is insignificant. Of the 525 delegates to the constituent congress, only 87 were workers. The party has approximately 10,000 members. According to the charter, the party does not a position for a leader with sole responsibility. Its leaders are General Albert Makashov, former candidate for RSFSR president, Viktor Anpilov, editor of MOLNIYA newspaper, and deputy to Mossovet; and Viktor Tyulkin, former member of the Central Committee of the RSFSR Communist Party. The SPT and the RKRP have been officially registered at the Russian Minyust [Ministry of Justice].

All-Union Communist Party of Bolsheviks (VKPB)

The VKPB was created by Nina Andreyeva on the basis of the Unity movement and the Bolshevik Platform. Its constituent congress was held in St. Petersburg on 8-9 November. General secretary is Nina Andreyeva. Basically the VKPB unites the Stalinists, who sharply censure the 20th party congress and the unmasking of Stalin by Khrushchev. More than the other Communist organizations it is inclined to keep its activities secret. It creates its own departments among the military, including those in the internal forces. It operates as an all-union organization in a number of republics of the former Union. It has several thousand members. Basically they are a lumpenized mass that is not distinguished by any high educational level. However, the leaders do include social-sciences instructors and a number of people's deputies.

Union of Communists (SK) and Russian Communists Party (RPK)

The SK and the RPK were formed on the basis of the Marxist Platform (a centrist current within the CPSU). They support the idea of perestroika, but they feel that the democratization should have been begun with the party itself.

The SK was founded in November. Its leader is Aleksey Prigarin, former member of the CPSU Central Committee.

The RPK was founded in December. Its leader is Anatoly Kryuchkov, former member of the Central Committee of the RSFSR Communist Party. Unlike the RPK, the SK stands on more rigid positions and recognizes only "private property that has been acquired by means of labor." The parties have 2000-3000 members each. Basically they are scientific and creative intellectuals.

Workers and Peasants Socialist Party (RKSP)

The RKSP was created in November. It stands on orthodox Marxist-Leninist positions. It is in favor of the restoration of the power of the soviets, a planned system for the economy, the kolkhoz and sovkhoz system, and the unity of the USSR. Its leader is Sergey Gubanov, one of the leaders of the United Front of USSR Workers.

CPSU Return Anticipated

924C1023E Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Article by Yevgeniy Yanayev, political expert, under rubric: "Our Experts' Opinion": "From Charter to Holy Writ?"]

[Text] The elimination of the Communist Party with its many millions of members, contrary to all expectations, occurred in a remarkably calm manner and was not accompanied by any excesses. The Communist leaders did not even make so bold as to issue a public protest with regard to the Russian President's Ukase concerning the dissolution of the CPSU structures. There were no "heroes of the Communist resistance." Valentin Kuptsov, leader of the RSFSR Communist Party, over the course of many weeks strove in vain to have a meeting with Yeltsin in the hope of persuading him to preserve the party, while other party leaders worked obediently in commissions to eliminate the CPSU and the RSFSR Communist Party.

Obviously, for V. Ivashkov, P. Luchinskiy, V. Kuptsov, and many others, their political career ended once and for all. The only person who has not lost his interest in politics is Gennadiy Zyuganov. Incidentally, it would certainly be incorrect nowadays to call the former secretary for ideology of the Central Committee of the RSFSR Communist Party a Communist. Having become the head of the Coordination Council of the Popular Patriotic Forces of Russia, Zyuganov is trying with all his might to please the patriots. The references to Lenin and Marx disappeared from his speeches long ago; the form of address "comrade" is not used; but Holy Writ is quoted abundantly and with pleasure.

The people who have become the new Communist leaders are the former second secretaries of gorkoms and

raykoms, and social-sciences instructors; and the currents, factions, and platforms that used to exist in the CPSU have become the new Communist Parties.

True, in recent months attempts have been undertaken among the Communists to resurrect the CPSU. In February a Committee to Prepare the 29th CPSU Congress was founded; and in March an Alternative Committee to Assist the Preparation of the 29th CPSU Congress. Work in the same direction is being carried out by an initiative group of former members of the CPSU Central Committee and Informbyuro in Moscow, who are attempting to coordinate the work of various Communist movements and parties.

But even the Communists themselves are not inclined to put any particular hopes on the restoration of the CPSU. Most of the new Communist Parties consider themselves to be heirs of the best Bolshevik traditions and do not see any necessity to resurrect the previous structure. Nevertheless this idea does have a number of enthusiastic supporters. So one should not be surprised if, for example, in the spring or summer, several people state they have held the 29th Congress and have resurrected the CPSU.

Strength of Factions Pondered

924C1023F Moscow LITERATURNAYA GAZETA
in Russian No 13, 25 Mar 92 p 11

[Article by Mikhail Malyutin, sociologist, consultant to the parliamentary Chage faction: "Pure Neocommunist Will Not Pass If It Is Not Helped By the Democrats Themselves"]

[Text] "Politics" in its previous "perestroika" sense has run its course on the territory of Russia.

Obviously, 10,000-12,000 "Red informals" from among the released former secretaries and other unemployed members of the lumpen-nomenklatura are puffing out their cheeks strongly. Within the ranks of the innumerable neocommunist groupings the number of members is approximately an order of magnitude greater—the number of people who go regularly to their rallies (which are organized in the best "DemRossiya" style) are several hundreds of thousands more. They also have their own "Red Demsoyuz [Democratic Union]," which regularly makes mad dashes at martyrdom and provokes the authorities into using violence.

The new Communists have a serious shortage of victim-symbols, and seriously need a new "young drummer." One can employ that kind of tactic or can reject it completely, but for the sake of objectivity it must be admitted that today DemRossiya has dashed toward its own reflection in the mirror.

Actually, when you read the current declarations of the procommunist Working Russia movement, you inevitably hear resounding in your head appeals to civil disobedience campaigns, and appeals to all kinds of

political strikes and the nonviolent overthrow of the "corrupted repressive regime," of which, since the time of the December 1989 declaration by the late A. Sakharov until the currently thriving G. Popov and Yu. Afanasyev, I have counted seven (although I may have forgotten some).

Are these new procommunist groupings and their vain efforts really serious? If we do not become overtaken by the standard psychoses in which it is only one step from megalomania to paranoia, we shall say outright: not so far. All the soundings that have been taken during recent years and months with any degree of objectivity indicate that the number of proponents of the Communist mentality continues to be stable—five percent, as a maximum. That is approximately twice the number of those who rigidly fail to accept the current regime because of a difference in their political philosophy, who accuse it of "bringing about the collapse of a great power" and the "death of Russia." They previously were scarcely able to endure the "Kommunyak" [derisive term for Communism], but now they are "twice guilty": both for 1917 and for the current "Troubled Times."

Thus, under conditions when 20-25 percent of the population of Russia has shifted over on a stable basis to the liberal-Westernizer positions of political philosophy and support the current government despite all its little jokes (personally, it is true, only five-seven percent are satisfied with their life), formally speaking there does not seem to be anything that the present authority should be afraid of...

But, of course, everything is not quite so splendid. It was discovered very quickly that our present authority had absolutely no intentions of carrying out its pre-election promises and, once again, "everyone is equal, but certain ones are more equal than the others." DemRossiya was able to organize its rallies and election campaigns well, by castigating the "thoroughly rotten Communist regime." But when, in the autumn, when the elections to the local agencies of authority were postponed until "complete and final stabilization" (that is, postponed indefinitely), and the current deputy corpse, even in such "democratic preserves" as Moscow and St. Petersburg, was transformed into an impotent stage setting for the "strong executive authority" in the person of our "mayor's offices," our democrat brothers realized that they got what they asked for.

Citing the 17 March referendum and justifiably indignant at the style of creating the CIS and the lack of results by the latest presidential gatherings, the neocommunists are hitting the authority in its most sensitive spot: its illegitimacy and antidemocratic nature.

The picture of the attitude taken by many democrats toward Yeltsin is completely identical to the position taken by the rank-and-file Communists in the unforgettable Gorbachev times: they are devoid of even the

slightest influence on real policy and have been transformed into "cheerleading groups" and a kind of "outside party" that is supposed—completely unselfishly, simply out of faithfulness to the only correct political philosophy and personally to a good and beloved leader—to propagandize among the masses the policy of the wise government. But that policy can be summarized simply as the old Russian wisdom: we have to suffer a bit more, guys. Christ suffered, and we must obey.

What remains to be done by those 10,000-12,000 democrat activists who have never engaged in "privatization," who never were part of the "strong power," who never got a cushy job, and who continue to be honest but cannot even earn enough to live on? Some of them, understandably, curse the "regenerates," others search intensively for "Reds" under the president's bed, and still others ascertain the interrelationships (with regard to whose democratic nature is most democratic), but they all rise up together as a wall against the "threat of capital...oops! we mean communist restoration."

Lenin used to say that nowhere in the world is there a force capable of being victorious over Communists and of compelling them that is greater than the Communists themselves. Here that brilliant man was always, was right. Unfortunately, the same thing can be said about the present democratic leaders. It is difficult to give any kind of advice to the latest Russian authority if it contrived, in less than three months after the creation of the incomprehensible something by the name of the CIS, to double the number of adherents of Sovdepvina in the capital (to 26 percent), and among the hegemon-class to arrive at the parity of the "Kommunvak" with the "demokrivaks" (35 percent, compared with 30). Since the time of the unforgettable election campaign against Yeltsin, an idea such as this has simply not entered anyone's head.

Nevertheless, there continue to be widespread forces that have formed organizationally or that have become aware of their own interests. The new authority after 21 August simply went completely to pieces and for a long time was unable to believe that now everything belonged to it. It was afraid that someone would come and ask to get a share of it. But no one—no trade union, no industrialist, no world capital, no wishy businessman—was able to or wanted to come and say simply, in our way of talking, "There is a force like this! If you're a servant of the nation—serve!" And so, for the time being, the authority in our country continues to represent basically itself and expresses its own interest—nothing is given to anyone for free. It seems to be very strong—while it is not doing anything (but is quietly privatizing everyone), but as soon as it begins to do anything.

Komsomol To Revive in April

924C1067B Moscow, *NEZAVISIMAYA GAZETA*
in Russian 24 Mar 92 p. 2

[Report by A.O.: "Komsomol To Be Restored in April"]

[Text] On 21-22 March, the organizational committee on the restoration of the VIKSM [All-Union Leninist Communist Youth League] held its meetings. They were

attended by representatives of komsomol organizations from Russia, Ukraine, Belarus, Latvia, Estonia, and Turkmenistan. They decided to hold a VIKSM restorative congress in Moscow on 18-19 April.

A congress by another communist organization—the Communists Union—is planned for 25 April.

New Russian State Decorations Described

Ukase on State Decorations

924C1093A Moscow, *ROSSIYSKAYA GAZETA*
in Russian 31 Mar 92 p. 2

[Ukase of the Russian Federation Supreme Soviet Presidium: On State Decorations of the Russian Federation]

[Text] In response to citizens' petitions and proposals by state organs with regard to the state decorations of the Russian Federation, the Russian Federation Supreme Soviet Presidium hereby resolves that:

1. until passage of a Russian Federation law on state decorations the orders of Suvorov, Ushakov, Kutuzov, Nakhimov, and Aleksandr Nevskiy shall be retained in the system of Russian Federation state decorations;

The following decorations and medals of the former USSR may be awarded in the Russian Federation: the Order of Friendship Among Peoples and the decoration "For Personal Courage," the Ushakov and Nakhimov medals, medals "For Courage," "For Distinguished Protection of the USSR State Border," "For Distinguished Military Service," "For Distinguished Service in Protection of Public Order," "For Valor in a Fire," and "For Saving the Drowning," with their statutes, decrees, and descriptions to be brought into accordance with the state regalia of the Russian Federation, and with the Russian military Order of St. George and the St. George's Cross medal to be reinstated;

2. the Russian Federation Presidential Commission on State Decorations shall draft statutes on the Order of St. George and the St. George's Cross;

3. the Russian Federation Supreme Soviet Legislation Committee shall in conjunction with the Russian Federation Presidential Commission on State Decorations and with participation by appropriate ministries and agencies create a draft Russian Federation law on state decorations and submit it to the Russian Federation Supreme Soviet for consideration during the third quarter of 1992;

4. the present ukase shall be submitted to the Russian Federation Supreme Soviet for confirmation.

[Signed] R.I. Khasbulatov, Russian Federation Supreme Soviet chairman
Moscow, Russian House of Soviets
2 March 1992, No 2424-1

Law on Establishment of 'Hero of Russian Federation'

07/01/1992 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 92 p 2

[Law of the Russian Federation On Establishment of the Title Hero of the Russian Federation and Creation of a Badge of Special Distinction, the 'Gold Star' Medal"]

[1992] The Russian Federation Supreme Soviet hereby resolves:

1. to establish the title Hero of the Russian Federation, to be awarded for services to the state and the people commensurate with the performance of an act of heroism;

2. to create a badge of special distinction, the "Gold Star" medal, for the purpose of specially identifying citizens who have been awarded the title Hero of the Russian Federation;

3. to approve the statute on the title Hero of the Russian Federation;

4. to approve the description of the "Gold Star" medal.

(Signed) B. Yeltsin, president of the Russian Federation
Moscow, Russian House of Soviets
09 Mar 92, 1992, No. 2553-1

Confirmation of Status of 'Hero of Russian Federation'

08/01/1992 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 92 p 2

[Statute on the Title of Hero of the Russian Federation: Approved by Russian Federation Law No. 2335-1, 20 March 1992.]

[Text] 1. The title Hero of the Russian Federation shall be awarded for services to the state and the people commensurate with the performance of an act of heroism.

2. The title Hero of the Russian Federation shall be awarded by the president of the Russian Federation.

3. A hero of the Russian Federation shall receive:
a badge of special distinction, the "Gold Star" medal;
a certificate bestowing the title Hero of the Russian Federation.

4. Heroes of the Russian Federation shall enjoy special privileges established by law.

5. The "Gold Star" medal shall be worn on the left side of the chest above other decorations and medals.

Description of 'Gold Star' Medal

08/01/1992 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 92 p 2

[Description of 'Gold Star' Medal"]

[Text] The "Gold Star" medal shall consist of a five-pointed star with smooth two-faceted rays on the obverse. The length of each ray shall be 15 mm.

The reverse of the medal shall have a smooth surface and shall be bounded by a raised rim around the outer edge.

In the center of the reverse the words "Hero of Russia" shall be inscribed in embossed letters; the size of each letter shall be 4 mm by 2 mm, with a height of 1 mm.

The medal shall be attached by an eye and ring to a gilded metallic medal bar, which shall be in the form of a rectangle 15 mm long and 19.5 mm wide, with frames at the top and bottom.

There shall be slits in the ribbon running parallel to the warp, and its interior shall be covered with a moire tricolor ribbon in the colors of the Russian Federation flag.

The medal bar shall have on the reverse a pin and clasp for attaching the medal to clothing.

The medal shall be of gold and weight 21.5 grams.

ECONOMIC & SOCIAL AFFAIRS

1992 Production Decline Forecast

924A0900A Moscow EKONOMIKA I ZHIZN'
in Russian No. 13, March 92 p 1

[Unattributed article based on "the forecast assessments of the main indicators prepared by the Ministry of Economy on instructions from the Russian Federation Government on 11 February 1992, No. 271: 'Forecast for Russian Federation Socioeconomic Development for the Second Quarter and Through the End of 1992'"]

[Text] The following conditions are set for the scenario for the functioning of the economy:

1. In the field of economic links—restoration or organization of new commodity flows and bringing contracts concluded up to the necessary level during the second quarter.

2. In the field of prices and tariffs—regulation of prices for energy sources and transport rates, limitation on profitability in pricing in the main sectors of material production.

3. In the field of financial policy—a 25-percent reduction in military spending against 1991, change in the priorities in social programs, funding for payments for low-income strata of the population through indirect taxation, and income should exceed spending (by 84 billion rubles [R]) or

1.2 percent) and be covered by government monetary bonds in the securities market.

4. In the field of investments—curtailment and change of priorities, first and foremost capital investments, to support farming, social and ecological programs, railroad transport, and construction in the coal regions.

5. In the field of currency backing—attraction of foreign credits for import purchases and to stabilize the ruble and support the balance of payments.

The economic position of the Russian Federation at the beginning of 1992 is characterized in particular by the following features. It has not been possible to halt the growth of credit issues. In January, industrial output declined 15 percent against January 1991. Declining production of foodstuffs continued, 24-31 percent over the two months.

The level of readiness to strike remains quite high in the extractive sectors and in transport and other spheres. Increased social and political tension is possible during the second quarter because of the expected increase in unemployment and intensified migration processes caused by interethnic contradictions.

Under conditions of continuation of the breakdown of traditional economic links, further price increases are possible, which, given lower solvency, will cause a decline in production that may reach 25-30 percent during 1992.

This year the trend toward further deterioration in the demographic situation in the republic will continue, and for the first time in postwar years it will lead to zero natural population growth during 1992.

An absolute decline of 1.6 million people, or 2.2 percent, is possible in the national economy.

It is suggested that during 1992 some 2.2 million people will be receiving unemployment benefits, while 1.6 million people will be sent for professional retraining.

Spending to provide social support for persons seeking work will exceed R24 billion overall for 1992.

In connection with the planned extensive privatization, a sharp reduction of workers is expected in the state sector of the economy—down to 50 million people against 56.5 million in 1991. The proportion of those employed in the state sector of the economy among all employed persons in the national economy will decline from 76.9 percent in 1991 to 69.4 percent in 1992, while the absolute numbers will fall by more than 6 million.

Overall the wages fund for the republic during the second quarter may total almost R514 billion. There will be an absolute growth of R131 billion compared to the first quarter.

The annual volume of the wages fund will top R2 trillion while the average monthly income for a worker will climb to approximately R2,460.

Spending to provide social protection for the population of the Russian Federation in 1992 will total more than R540 billion, including more than R130 billion during the second quarter.

Retail trade turnover during the first quarter was assessed at R495 billion, while the figure for the second quarter is R640 billion, and R3 trillion for the entire year, which in comparable prices will amount to 80 percent of last year's level.

According to figures from the Russian Federation State Committee for Statistics, during January 1992 the level of wholesale prices in industry rose by a factor of five compared with December 1991. Taking into account the steps taken to regulate profitability of monopoly enterprises we can expect stabilization or even reduction of prices in a number of sectors with free pricing, namely, the tire, paint, ball-bearing and other sectors where monopoly trends are most clearly expressed. Overall in the sectors of material production prices will rise by a factor of 5.9 compared with the previous quarter. During the second half of the year (particularly during the fourth quarter) there will be an inevitable acceleration in price increases in the food industry because the agricultural output from the new harvest will be considerably more expensive than agricultural raw materials in 1991. Price increases in the sectors of heavy industry may amount to five-seven percent a month.

By the end of 1992 the overall level of wholesale prices at enterprises will have risen by factors of 7.9 to 8.4 compared with 1991, and, taking value added tax into account, by factors of 10 or 11.

During the second quarter the summary financial balance envisages additional limitations on all kinds of expenditures except for protected items.

During 1992 total government spending to finance social and cultural measures will total R1.1 trillion—almost 40 percent of state income received from enterprises in the form of deductions for social security.

Off-budget funds will be allocated for conversion of military production, as will TsDRF [expansion not given] credits. A total of R29 billion will be allocated from the budget.

A figure of R2.1263 trillion has been set for profit in 1992. About 20 percent of enterprise profit may be allocated for social and cultural needs and about 18 percent for production development. About 18 percent of balance sheet profit, or R386 billion, will be received as state income.

Total budget revenues from denationalization and privatization of property is assessed at R89.1 billion.

The forecast assessment for monetary incomes and expenditures for the population during the second quarter is as follows: monetary incomes during the second quarter are estimated at R942 billion (31.3 percent more than for the first quarter). Some R809 billion will be spent to buy goods and services.

The increase in assets in the current accounts of enterprises and organizations was by a factor of 3.3 in 1991, and total credit investments tripled. In January of this year this trend continued. At the same time payment delinquencies and overdue loan payments amounted to R1.198 trillion, while reciprocal debt was R140.5 billion. The process of privatization will extend to 70 percent of enterprises in light industry, construction, road transport, and highway-repair enterprises; to 60 percent of the food industry, retail trade, personal services, and agricultural enterprises; but only to 20 percent of uncompleted construction.

During the second quarter some percentage (5.3 percent) of the total production facilities will not grow because of the harsh tax system.

A reduction is predicted in the number of commodity exchanges by the end of the year. The process of the demise or absorption of the exchanges may start in Moscow, where there are 35 of them, and in St. Petersburg, where there are 26. During the second quarter exchange turnover will decline and prices will grow more slowly than during the first quarter. At the same time prices for the services of trade and brokerage organizations will increase more rapidly and approach exchange prices.

By the end of the second quarter we can expect the formation of a securities market and galvanization of activity in the stock exchanges.

In material production, in industry the volume of output is predicted to be 88 percent of the level of 1991.

The volume of output in the processing sectors may fall 13.5 percent, and eight percent in the fuel and raw materials sectors. From January 1992, state regulated prices were introduced in the fuel sectors for coal, oil, and natural gas, and wholesale prices have quintupled. This has enabled enterprises to insure self-financing, although the coal industry is still operating at a loss and during the first quarter required subsidies of R22 billion from the budget.

Forecast estimates for production of the main kinds of output in the fuel sector are as follows. The recovery of oil with gas condensate will fall 64 million metric tons (14 percent) compared to 1991. Production of gasoline for motor vehicles is estimated at the level of 37 million metric tons (95 percent), diesel fuel 70.8 million metric tons (98 percent), and fuel for jet aviation 15 million metric tons (94 percent). Recovery of gas and coal is predicted to be at last year's level, at 646 billion cubic

meters and 354 million metric tons respectively. It is forecast that total electric power generated will be 1.045 trillion kilowatt hours.

The cost of metal output in ferrous metallurgy rose by a factor of seven in January compared to December 1991, and further price increases are expected; in 1992 output volume will decline approximately 15 percent. In non-ferrous metallurgy output will fall 12 percent, while the decline in the output of zinc will be 26 percent, and in lead 13 percent.

In the chemical industry profit will total about R150 billion, with an average profitability level of 25 percent for the sector. Here, the decline in output in the chemical, petrochemical, medical, and microbiological industries will be 16 percent compared to last year.

In the defense complex conversion is being carried out at more than 550 enterprises. In 1992 spending to curtail series production of weapons and military equipment and to provide social protection for the workers and maintain the infrastructure will grow. It is expected that more than 1 million workers will be made redundant, and that profits will decline by more than 50 percent. Overall, volumes will decline 22 percent, and the proportion of production for civilian uses will make up 77 percent of the total, against 56.4 percent in 1991.

It is predicted that output of consumer goods will be at the level of R3 trillion in current prices, which is 87 percent of the 1991 level.

Production of foodstuffs will decline 18 percent, and light industry output 10 percent. It is estimated that the total volume of output in 1992 will be R1.16 billion, which is 18 percent less than 1991. Profit in agriculture will be R141 billion (three times more than last year, and 3.2 times more in industry in the agro-industrial complex). Overall, agricultural output is forecast to be nine percent lower than in 1991. Because of the reduced supplies of raw materials and materials, output will fall in the processing industry of the agro-industrial complex. It is possible that meat production will decline 22 percent, butter 13 percent, vegetable oils 26 percent, full-cream cheese 14 percent, cereal 16 percent, and confectioner's items almost 20 percent. Given the present annual level of sugar consumption of 8-9 million metric tons, in 1992 we expect production of 7.6 million metric tons. With demand for vegetable oils at 2.1 million metric tons, it is expected that 830,000 metric tons will be processed.

Investment activity this year will decline because of the greater cost of resources, the limited nature of budget assets, and the disorders in the material-technical supply system. In 1992 curtailments in the physical size of investments from all financing sources will reach 30-40 percent compared to 1991.

In 1992 exports of output has been set at \$36.3 billion. Export deliveries of the main kinds of raw materials will make up more than 60 percent of the total volume of centralized exports. Exports of machinery and equipment are estimated to be \$3 billion.

Imports of foodstuffs during the second quarter using credits will increase: imports of meat and meat products will total 4 million metric tons (37 percent of the annual

import forecast), butter 90,000 metric tons (25 percent), vegetable oils 260,000 metric tons (27 percent), sugar 1.7 million metric tons (45 percent). Decentralized commodity imports during the second quarter will total approximately \$4 billion.

Vol'skiy Stresses Importance of Production

924A0900B Moscow *EKONOMIKA I ZHIZN*
in Russian No 13, Mar 92 p 10

[Interview with Arkadiy Vol'skiy by unidentified *EKONOMIKA I ZHIZN* correspondent; place and date not given: "Industrialists and Entrepreneurs Should Recognize Their Own Strength"]

[Text] At the request of readers an *EKONOMIKA I ZHIZN* correspondent met with the president of the Russian Union of Industrialists and Entrepreneurs [RSPP], Arkadiy Vol'skiy. We present to our readers the interview he had with him.

"EZh": Arkadiy Ivanovich, although you have been a frequent guest on the pages of our weekly, this is, nevertheless, the first time that we have conversed since the formation of the International Congress of Industrialists and Entrepreneurs, at whose assembly on 22 February you were elected chairman-coordinator. So let us start, perhaps, with the results of that assembly. What were its main results?

A.V.: Perhaps the most important result of the assembly was the participation in it by representatives of all the CIS states, and also Lithuania, Latvia, Estonia, and Georgia, gathering together for the first time after long months of insouciant and senseless dispersal.

"EZh": In some commentaries on the assembly it has been noted that most of the participants were representatives of large state enterprises and business circles gravitating toward the state sector, while there were supposedly few entrepreneurs.

A.V.: If by the word "entrepreneur" what you have in mind is only those engaged in the nonstate sphere of the economy, then indeed they were not in a majority. But of course there are among the producers of goods and services in the country many thousands of entrepreneurs working according to the laws of the market, although they still constitute no more than 10 percent. Notwithstanding, those attending the assembly included eminent figures in the new wave of business circles, such as M. Yuryev, the director of Soyuzinterprom, V. Romanov, the director of the REM Association, I. Stasaitis, president of the Lithuanian Tomos Corporation, Yu. Sharipov, president of the Bashkir BETO Concern, A. Shnytko, vice president of the Ukrainian Republic Exchange, A. Kadiyev, president of the Dagestan Autonomous Oblast Dagelestromash, L. Vaynberg, president of the association of joint-venture enterprises, and others.

Incidentally, among the 72 members of the board in the Russian Union of Industrialists and Entrepreneurs, 36 are managers of commercial banks, exchanges, concerns, joint-stock and leasing companies, and joint-venture and private corporations and organizations.

Now with respect to the leaders of the large state enterprises. Naturally they react in quite a different way to external conditions. The larger the plant the more extensive and numerous its economic links and the more sensitive it is in its dependence on cooperation with respect to supplies. Under these conditions, integration and cooperation are the air, the life-giving oxygen, and when it is cut off it is the equivalent of economic death.

"EZh": Probably for the same reason we may talk of the special features of the views of leaders at defense enterprises. The former Scientific Industrial Union, now the RSPP, often tries to portray itself as the spokesman for the interests of the military-industrial complex.

A.V.: I do not believe that the RSPP is in any way discrediting the fact that converted enterprises in the military-industrial complex lie within the sphere of our priority interests. We have taken the position, and still do, that the flower of the engineering-technical and worker cadres has been gathered together in the labor collectives of these enterprises, and more attention must be paid to their fate. It is, if you will, the national pride of Russia. It is, of course, much harder for them to enter the market than it is for the "peaceful" plants. But a considerable number of them should not even think of doing so. Take the military nuclear industry and the cosmodromes. Only madmen would suggest, for example, that they be privatized. Today we must see the sharp contraction in orders for the defense complex. The first thousands of unemployed have already appeared. They must, therefore, be helped energetically and on a large scale.

Neither can I agree with the attempts to portray the leaders of these enterprises as the bearers of conservative views, opponents of economic transformations, or some aggressive opposition to the government of Russia. This is absurd. There are absolutely no grounds at all for accusing the managers of military enterprises of anti-democratic convictions.

It is also of some interest to note that the present economic reform is the sixth since October 1917. And at each stage it has been precisely the enterprise directors who have adopted the most radical positions, demanding maximum independence. For the market is essentially independence for the producer: the right to determine for himself the volumes, structure, and cost of output, the right to choose his own partners with respect to supplies and marketing, the right to dispose of his own profit himself. Each time it has not been the directors who have ruined the reforms, but the ideology of the system. I recall, for example, how when working as a minister in Moscow, the well-known director of the Sumi Lukyanenko Association fought and fought but was able

to do nothing when he tried to disseminate the experience in self-management, self-financing, and self-support at his own enterprise into the sectors.

Of course, the people were different then and now. Some threw up their hands and went with the current, while others tried to find at least some loophole, some round-about way to obtain a greater degree of freedom.

This also applies fully to the managers of enterprises in the military-industrial complex. Let me give at least the names and addresses of P. Semenenko, the director of Kirovskiy Zavod, N. Mikhaylov from Vypel Central Scientific Production Association, E. Pervyshin from Telekom Concern, Yu. Semenov from Energomash Design Bureau, A. Savin from Kometa Central Production Association, Ye. Fedorov from Aviasistem State Scientific Research Institute, V. Klyuyev from Spektr Scientific-Production Association, and many, many others. Each of them is a major scientist and brilliant economic manager. A Professional with a capital "P". They are accustomed to specificity and accuracy and are intolerant of idle talk, and they have a critical attitude about all kinds of promises, and they reject everything that hampers the productive and sensible economic development of production. And if they do not go into indescribable ecstasies and feminine emotion about the clumsy administrative bumbling of certain new governors, governor generals, prefects, and other civil service chiefs, should they be blamed for that?

"EZh": You are quite critical about the new administration, are you not?

A.V.: I would not generalize about the entire administration. Both at the congress of the Russian union and at the assembly of the international congress we issued definitive statements of support for the program of economic reform set forth by President B. Yeltsin in the Russian Supreme Soviet. Good businesslike relations link us with Ye. Gaydar and his team of economists. One of the general directors of the RSPP, Professor Ye. Yasin, is a government adviser. This does not mean that we agree with the government in everything.

There is a program and there is execution of that program, and a goal, and the means to reach it. As far as the executive part is concerned, I now find myself in active and critical opposition with respect to a number of ministers who believe that the grass does not grow and the sun does not shine. And I have never hid this.

Any reforms (in contrast to revolutions) are built on evolutionary replacement and modernization of outworn and exhausted elements. We have developed a new model for relationships and have tested its effectiveness in action, open the door to a life for it that provides legal protection, and create a regime of financial support. That, incidentally, is what N. Nazarbayev is doing.

All the statements notwithstanding, the reforms have been ideologized. The existing mechanisms are being destroyed not because something more effective is ready

to take their place but because they belong to the past, which must be "broken down and then..." But the fact is that until the arrival of this "then" the people must eat something, and clothe themselves and work. The theoreticians, however, see the reforms in a romantic enthusiasm, with beautiful models, and they discard with vexation the unpleasant prosaism of life. I disagree with such methods.

There is also "ideologization" in cadre policy. Reform in a country such as ours cannot proceed simply, without backfires. And this is also because the reformists have no experience. We must approach the problems that arise in a very sober, self-critical, and reasonable manner, and recognize and correct mistakes promptly. But still most of the roots of our ills are to be found not in our own actions but in the intrigues of domestic enemies and the machinations in which they engage. Each person must be judged not by what he says in a questionnaire but by his attitude toward the reform and his participation in it, and by his readiness to give the government and the president his support in the hard work for the good of Russia. And likewise every political movement

"EZh": What still concerns you in the work of the government?

A.V.: I sent a note to B.N. Yeltsin and have had personal conversations with G. Burbulis and Ye. Gaydar, saying that we must turn our attention immediately to enhancing the effectiveness of executive power and to strengthening discipline, morality, and the business ethic. The apparatus of power is literally decomposing, and corruption and embezzlement of state property have reached monstrous proportions.

We also talked about this in the report at the congress. And I am very glad that the government has announced the start of a decisive struggle against bribe-taking and corruption. We support this energetically.

The reasons for many ills also lie in the fact that the promise to form a government of professionals has not been kept. Or, more accurately, it has not been kept with respect to certain echelons of management where people are sometimes selected on the clan principle or because of personal loyalties.

Every day I am visited by directors who are often in a state of shock from their dealings with "specialists" in the apartments of the ministries. Moreover, some Russian ministries have become some kind of administrative supermonsters and nurseries of nonprofessionalism. And what is even worse, hotbeds of some kind of aggressiveness toward the managers of enterprises as unique objects of "scorn by the ministries."

Just consider the situation: In Moscow alone statements have been issued on the retirement of the directors of 60 enterprises! They leave because they meet with total lack of understanding of their problems, and with quite degrading and loutish attitudes toward them on the part of all kinds of bureaucratic chiefs.

"EZh": Where do you see the weakest places in the reform?

A.V.: First and foremost that the steps that have been taken do not provide incentive for production growth. The country can be extricated from the crisis that has seized it only by creating incentives to improve the quality and quantity of goods in mass demand, and in maintaining the effective demand of the public, whose incomes should also depend on that same quality and quantity. Now, however, we have been focusing our main efforts on macroeconomics, and production is declining catastrophically.

The discussions about supposed leading structural perestroika, and the positive effect of conversion, and rejection of "unnecessary" output are insidious. If it is still possible to discuss how many tractors and combines we need each year, and what quantities of Kirovtsy and Vladimirovtsy should be produced, and then production of rolled metal falls sharply, along with oil and gas, and production of consumer goods and agricultural output is cut back, what we have here is a head-in-the-sand policy; it is impossible not to sense the volume and scale of impending catastrophe. This is a crime against the people.

"EZh": So what then, does the government not understand this?

A.V.: In my opinion it does not understand the whole threatening nature of events. It has gone into local oscillation on macroeconomic problems and is making absolute the idea of a balanced budget, but the fate of the reform will be decided by the economic situation in dozens and hundreds of "particular cases": stoppages at enterprises, unemployment, random migration and the accompanying growing lumpenization of broad strata, and the concomitant aggressiveness and bitterness of hungry people.

"EZh": However, on the plus side of the government account there are the obvious results in strengthening the exchange rate for the ruble and stabilizing the balance of payments.

A.V.: But surely the strengthening of the ruble, as it soon became clear, was not solid, and it was achieved again by fiscal not economic policy. It is all the result of an artless operation to remove enormous masses of cash. And the other states that had expressed a desire to preserve a unified ruble zone suffered a blow here. And not only them: Attempts are being made to introduce "their own money" on Russian territory, still in the form of special checks, bonds, and coupons, but if this goes any further then the times of civil war between "local monies" cannot be far off. At the same time the scale and importance of barter and product exchange are growing. Surely this is not a far-sighted policy—undermining the basis of long-term agreements.

The continuing political games among the leading organs of the former republics are also exacerbating the situation. I am still waiting to see when and who will have the courage to admit that making a fetish of the concept of sovereignties has led the people into impasse. No one place has become a better place to live, no new conditions have been opened up anywhere for the development of culture and education and well-being. The contrary is true everywhere.

That is a subject for a separate discussion, but the economic perniciousness of customs duties, licenses, quotas, and state orders from local departments must be talked of openly and the alarm sounded.

It seemed that after Minsk some kind of hope would emerge when the agreement on trade and economic cooperation was signed. But a month has elapsed and we are into the second, and it can be seen that a sorry fate awaits that agreement and the protocol on maintaining economic links. There have been no agreed efforts to make the borders "transparent." And this means that conditions do not exist for stabilizing the work of most of the large enterprises.

I am an active supporter of the proposals put forward by the President of Kazakhstan N. Nazarbayev on greater coordination of action among members of the CIS in economic policy. Essentially, nothing is now being coordinated.

"EZh": And what can you say about the interaction among industrialists and entrepreneurs at the local level?

A.V.: The lack of cooperation and mutual understanding and agreement between local organizations of power and economic cadres gives cause for concern. Even elementary things like economic aktivs and economic conferences are not taking place. I say nothing of the functioning of the standing consultative and expert councils under the heads of administration, where the most important decisions could be "run in."

And again we must talk about the baneful influence of political games. Take, for example, the report recently carried in the press about a presidential ukase that was supposedly being prepared on "decommunization" of state management and the introduction of professional bans. First, it is absurd: You could not find five percent of the directors in the country who had not previously been members of party committees, rayon and oblast committees, and the Central Committee. Thousands of specialists recruited from production and selected according to the professional principle worked in those same sector departments of the party committees. So what do we do—"expunge" these competent cadres from the reform? My colleagues in the unions of entrepreneurs in the Czech and Slovak regions tell me that such a law was hastily passed, and 75 percent of the workers in the state apparatus came under them. Of course, no one will comply with that law. But here, second, is the provocative nature of this idea. It is as if someone deliberately wants to drive yet another large wedge into the crack of

mutual guardedness between the "specialists" and the new authorities. And so with each passing day the temperature of society rises and an atmosphere of ill-will and bitterness is whipped up. That is what alarms me most of all.

We must recognize that a new phase of overload has started, a peak moment in the reform. I am sure that the directors and entrepreneurs can play the role of a stabilizing factor in society by imparting solidity and stability to the course of the reforms. The government should see business circles as a firm support and companion-in-arms in the reforms. In turn, entrepreneurs must be sure that they are treated with respect and trust, and that their basic interests are considered and strategy and tactics agreed with them.

We are not about to put pressure on the government; we truly want cooperation. This is precisely why the RSPP has been acting as one of the organizers of the Assembly of Russian Citizens. But the government must understand that to disregard and ignore the opinion of business circles will not bring it success for long. This understanding will come the more quickly the sooner industrialists and entrepreneurs recognize their own strength and begin to act in a coordinated way.

I would like to use this occasion to appeal to readers of the weekly in this way: Let us be together! The Russian Union of Industrialists and Entrepreneurs was created for and acts on behalf of the economic reform, which must liberate the abilities of our people and of the collectives at enterprises, and talented entrepreneurs. By combining our efforts and recognizing them, and by forcing the politicians to deal with the needs of production and the labor collectives we shall still be able to save the country.

Academicians on Government Economic Policy

924A0840A Moscow NEZAVISIMAYA GAZETA
in Russian 19 Mar 92 pp 1, 4

[Article by Economics Professor Yefrem Mayminas; place and date not given: "The Alternative Lies Beyond the Limits of the Market: The Speeches of Government Critics Are Testimony to This"]

[Text]

Reform

In the address by Academician N. Petrakov and his colleagues from the Market Problems Institute, Russian Academy of Sciences (RAN) Professor V. Perlamutrov, Professor Yu. Borozdin, and Dr. V. Manevich (NEZAVISIMAYA GAZETA No 45, 6 March 92), the market course of the present Russian government is countered by a fundamentally different economic policy course. We can only welcome the authors' aspiration not to limit themselves to a virtually total rejection of the government's actions (I will speak about criticism later) and instead to formulate their own program for bringing the

country out of what they term its catastrophic economic situation. It is extremely important to evaluate this program soberly and without bias, inasmuch as the main thing is to consider possible alternatives before implementing any decision on a change of course. Naturally, this evaluation must proceed on the basis of existing realities.

What do the authors of the address propose? Their recommendations can be divided into three large areas: (1) strict state control over prices and income for the purpose of stabilizing them; (2) unrecompensed transfer of enterprises to the labor collectives; and (3) sharp curtailment of the export of fuel and raw materials and the establishment of a firm (and high) exchange rate for the ruble.

Let us begin with the first. The authors believe that the country should retain "lower prices for raw materials and fuel on the domestic market" and "lower wages." This kind of freeze (to say nothing of lowering) of prices and income will require strict administrative control all along the price chain, from fuel and raw materials to consumer goods, and for all types of income. Not for nothing do the authors talk about the "establishment of control." Control did indeed exist for decades, but even in much more propitious times, N. Ryzhkov and V. Pavlov were led to the crisis that the present government inherited. After all, it is perfectly obvious that low prices for oil, gas, coal, and wheat were subsidized by huge state investments in subsidizing the development of fuel extraction (and at the same time an extremely low standard of living for miners and oil workers), by billions in subsidies and virtually permanent loans to kolkhozes and sovkhozes (and small incomes for peasants), and by the import of wheat for oil dollars. As the treasury has been exhausted, the policy of state budget-credit financing (the authors also insist on "cheap credit") of low prices has inevitably led to a budget deficit, uncovered monetary emissions (cash and noncash payment means), and inflation. Even when the administrative system was still disciplined by its Communist Party core, an acceleration of price growth began, followed by increased pressure from the "lower classes," who demanded increased wages and social expenditures. In other words, the impetus was given to the "price-income" inflation spiral.

Such are the lessons of administrative control that we have already learned. The authors feel that the "restoration of control" over prices and income "will allow the state once again to concentrate the means in the state budget for resolving social problems and for the necessary investments in structural perestroika." Budgetary means will be required immediately, the day after the exchange rate changes. And the funds are immense—for subsidies and loans to agriculture, for support of the expiring fuel-energy complex, and also for expensive structural perestroika as well as social needs. Where is the state budget to get this money if not at the expense of a new, incomparably more powerful burst of uncovered emissions of money? Especially since they propose a

sharp curtailment in the export of fuel and raw materials and, therefore, the hard currency receipts from that export. (The authors say nothing about the sale of weapons as a source of hard currency.)

To keep us from slipping into the abyss of hyperinflation, state control over prices and income will very soon demand a wide-scale restoration of the centralized planning-administrative system with a freeze on wages and prices and a natural distribution of resources (based on limits and funds) and consumer goods (by ration cards and coupons).

Given current reality, adherence to a framework of financial control that involves fixed prices, tariffs, and so on, cannot succeed. The market levers of supply and demand do not work under those conditions, and low prices that are not in accord with the market will inevitably engender a goods deficit that will reproduce itself on an expanded scale. This means that a redistribution of output by the state will follow in the wake of a mass pumping of money through the budget. The economy has its own logic, if you like. We know all this very well from our own experience. To bring about a return to the old system today without resorting to extreme extra-economic measures is no longer realistic. (Nor is the restoration of "means" of connections alternative to the market realistic within the framework of the "unitary economic complex" of the old USSR.) Moreover, this kind of forcible return is economically short-sighted. It bodes a complete deficit, complete state distribution and, consequently, complete power for the bureaucracy.

Evidently, aware of this danger, the authors of the appeal have put their hopes in a "productive democracy," which essentially relates to a special group of their proposals: the unrecompensed transfer of enterprises to the labor collectives with the subsequent division of that portion of capital which includes the "value of productive funds created at the expense of internal accumulations of the enterprise over the last 10 years plus the value of the productive funds that have depreciated more than 50 percent." This step, according to the authors, will sharply increase the productive activity of the workers and ensure political stability.

First, about the transfer of enterprises to the labor collectives. It is perfectly obvious that under administrative control—or rather, an overall nationalized distribution system—the chances of a collective influencing the state of affairs in its "own" enterprise are not going to differ much from those of the *kolkhozes*, to which the land has already been "transferred" without compensation. And we know what kind of "productive activity" there has been there.

Let us cite a few more statistical comparisons. (True, these are data from 1989 for the Union, but today's Russian macroproportions differ little from them.) The TEK [no expansion provided] employs 7 percent of

industrial productive personnel, and its share in industrial-productive capital is 31 percent. Machine-building employs 43 percent of personnel and gets only 13 percent of the funds. Quite an uneven distribution! It is the same with the subsequent (when?) division of capital. Virtually all the construction of new enterprises has been financed out of the budget, and in general up until 1988 the share of enterprises' own funds in investment (in the state sector) did not exceed 3 percent. Only in later years did they invest a relatively large amount in their own reconstruction, but on the whole the bulk of new, more effective funds have not gone into the district. And the authors are planning to hang the old, worn-out capital in need of expensive reconstruction off simply to be written off on the worker-shareholders, especially in the areas of ferrous metallurgy, chemistry, and petrochemistry (52 percent of total branch depreciation). Our experience from the Council of Labor Collectives (STK), leasers, and cooperative workers, and especially the Yugoslav experience of worker self-management, shows that in difficult economic conditions (and where are they more difficult now?), collectives distributing income will give priority not to investment but to increasing the current wage and other outlays, benefits, and so on. (By the way, even small shareholders are inclined to increase the dividend in distributing the profit of a joint-stock company.) This means that either the necessary technical reequipment of production is going to come to a standstill for a long time, or else the state is going once again to have to administratively prescribe the share of allocations for the output development fund and introduce limitations on increases in wages.

Evidently aware of this, the authors of the address put their chief hopes for increased economic efficiency on a massive influx of private foreign capital into the country. They are perfectly correct in asserting that foreign (as well as native) capital requires political stability in the country and that cheap raw materials and fuel plus cheap working hands and brains will attract it. Both stability and cheapness can be ensured by a strict administrative hand, but whether the foreign capitalist will bend his neck under that is highly doubtful. More likely, as in China, special enclaves will have to be created for him—free economic zones (or concessions and the like) with their own day-to-day procedures cut off from the rest of the economy. Capital will be invested there if it anticipates high profit and an opportunity to dispose of it, including taking it out. Profit from the sale of its own output on the Russian market will be restricted to administratively controlled prices, and its recapitalization will also be under strict control (see above) and naturally seek to go abroad. Years will pass before foreign capital, and with it high technology, streams even from these "islands" onto the "mainland" of the Russian economy. Before then the country as a whole will receive an influx of currency chiefly from taxes and loans from foreign investors and their exchange of currency to pay their own workers (more than likely the state will require they be paid in rubles) and for the raw and other materials and so on bought on the domestic market. But

here, if an advantageous exchange is not established, foreign entrepreneurs will run into the elevated and for them disadvantageous rate of exchange for the ruble that the authors of the address are proposing.

This nonmarket rate of exchange for the ruble comprises the main link in the set of recommendations on finance and foreign economic policy. How can a firm and high rate of exchange established in relation to prices for raw materials and fuel be economically ensured if: (1) a sharp curtailment of the export of these hard currency goods is proposed; (2) the expectation of bringing in private foreign capital (especially in the sphere of production) on scales capable in the next few years of replacing revenues from exports are groundless; (3) the acceptance of economic assistance from abroad is condemned and there are few hopes for Western state and international credits given the "administrative revolution" in policy; and in the East given their claims against us; (4) in addition, "the broad import of producer and consumer goods" is planned. It is quite obvious that under such conditions this will be purely a tough administrative decision, as it was for decades. This "efficiency"—even with the forced export of power sources and weapons—we have seen in our own experience. What is there to say about the unrealistic scenario of the appeal's authors?

On the whole, analysis of their proposals confirms that this is indeed a fundamentally different course of economic policy, a policy that objectively (independently of the authors' will) leads to the restoration of the centralized planning distribution economic system. In a certain sense this is comforting, if even highly professional and democratically inclined economists have been unable to construct an alternative to the present course, then that must mean there is no third course and the hopes of Academician G. Arbatov are not destined to come to pass. We can either move toward a market economy—multisectoral, of course, with some degree of state regulation—or return to an administrative economy, in the best case with a sprinkling of worker councils and free economic zones. Such is the real field for political choice, analysis, and application of both native and foreign experience.

President B. Yeltsin and the government of Russia he leads have made their choice. Despite the very difficult conditions they have inherited, since 2 January of this year they have got the economic cart moving and set off down the market path. Less than three months have passed, it is too soon to draw even any first results (although I am basically in agreement with the evaluations of V. Kotoy in NEZAVISIMAYA GAZETA No 50, 13 March 92). Therefore, the present government cannot be responsible for the loss of control over exports and private mediation that led in 1991 to the outflow of \$20 billion from the entire USSR-CTS [Commonwealth of Independent States], even if that amount is not overstated. Certain other reproaches to the government are of the same quality.

The government has laid out actual position, measures, and further intentions in its "Memorandum" (see NEZAVISIMAYA GAZETA No 42, 3 March 1992). The authors of the address for some reason passed over the government's intentions to have a constant rate of exchange for the movement of capital as well as a separate floating exchange rate for all current operations and failed to notice the entire package of other measures to control currency and other foreign economic operations, especially the export of fuel and raw materials.

That these measures are primarily of a monetary-financial nature is another matter. One can dispute their effectiveness as one can the necessity of unswervingly following the "shock therapy" prescriptions that have manifested their contradictoriness even in the more favorable Polish conditions. One thing is clear, though, having set out on the market path, the government has kept to it; moreover, the chosen course in many instances requires very specific steps. Financial stabilization is needed, which means that the rates of uncovered emission and inflation have to be at least lowered, and consequently the budget deficit (along with the strict credit policy) must be curtailed, which will lead to cuts in budgetary expenditures and hence a liberalization of prices so that the producers do not require budgetary investments or subsidies. Simultaneously, taxes must be introduced that automatically follow price increases (a kind of value-added tax), inasmuch as with price increases budgetary expenditures increase for wages for workers in budgetary institutions and for social support for the needy. These are the kinds of branching processes (of which these are but a small part) that the government has had to take into consideration and deal with, and it has managed to keep the economy from hyperinflation and the country from social outbursts on the starting leg of the path to the market.

What aroused this group of authoritative economists, and then the well-known political scientist and experienced politician Academician G. Arbatov (NEZAVISIMAYA GAZETA No 50, 13 March 1992), to come out at this moment with a blanket rejection of the economic policy of the government and a virtual demand that it step down? Why are these serious people, who are by no means extremists, hurling in the government's face the worst accusations of harshness, expropriation of the workers, incompetence, and conscious destruction of the economy (a point where we can also start in on "enemies of the people" and "hirelings," which we have already been through)? Of course, it is not a matter of ambitious offenses against "beloved scholars" or their childishness or ignorance about Russian realities.

The first reason is an unfounded fear that the impending liberalization of virtually all prices, especially for fuel and wheat, will give a new impulse to their general sharp increase and the further decline in the standard of living and will provoke a powerful social upheaval, which could open the way to totalitarianism. Hence the second reason—political calculation: the seizure of initiative from the consolidating opposition and the overthrow of

the government" (having separated B. Yeltsin from it) at the hand of the democrats themselves in order to avert an explosion and remain at the helm.

This merits serious thought. Under present conditions, the government simply cannot support the production of cheap wheat and fuel out of its treasury. The threat of strikes by miners and oil workers is always in the air, and middlemen are making money off the difference between domestic and world prices. Equipment and fuel for the countryside and the spring sowing are getting more and more expensive. The kolkhozes and sovkhozes are supporting the "currency of currencies"—wheat—which can be obtained either through Stalinist requisitions or high prices (if partially in barter form). Moreover, the government's "Memorandum" attests to the fact that it sees the treacherous linked dangers of a decline in production and unemployment and a decline in the standard of living and is trying to amortize them through an entire complex of measures. Even if they are realizable and sufficient so that the people could hold on a little more (which is doubtful), still, still

The government's economic policy needs serious correctives, above all an expanded front for and acceleration of market transformations. Right now the government, heading straight toward its single, even priority goal of financial stabilization, is leaving its flanks uncovered—several problems that demand equally urgent resolution (a list of them was provided, for example, in Kotov's abovementioned article). G. Arbatov has voiced the most serious accusation: economic reform, unfortunately, has not yet begun. There is no substantial progress along its three chief lines—land reform, privatization, and demonopolization. Without this, no stratum of interested owners will appear that firmly links its own fate to the market economy. Without that stratum you cannot create a genuine market or a competitive milieu, outside of which financial-monetary measures cannot work. (You cannot lean on the cash-in-hand crisis, which provokes acute dissatisfaction, for long!) Shop shelves are not filling up with goods, output is not increasing, monopolist prices are not decreasing. Quotas, licenses, restrictions, permissions, evaluations in officials' hands, and different levels of prices in Russia, the other countries of the CIS, and the world are giving rise to a wave of speculation, extortion, and bribery. But the population has to actually feel at least some positive advances, otherwise the social base for reforms will continue to narrow.

The government faces hard work on widening and strengthening that base, taking into account the vital interests of various social strata. Herein lies the art of politics: the economic maneuver, the choice of tactics and moment, the coordination and speed of measures undertaken, the distribution of the inevitable social burden of reforms, and so on. Important, too, is keeping in constant contact with the parliament, the public, the press and television and explaining and discussing planned measures.

But the most important thing, which cannot be kept silent, is that the government is encountering persistent provoked resistance, not everywhere, of course, but at many points and various levels of power, especially in the locales (often under the guise of "ordinary" confusion). This substantially limits its opportunities for actual administration and control. There is no harmonized state or public action to implement the adopted course of economic policy that is so necessary right now. It is this, it seems to me, that must become the basic concern not only of the president and the entire leadership of Russia but also of the Democratic Movement. The government's mistakes need to be criticized, and personnel can be reassigned and the government even forced to resign. The big question for every democrat and true patriot is whether this will avert a replacement of the hard-won strategic course and help preserve and more successfully implement the adopted course of economic policy, to which there is no acceptable and at the same time realizable alternative.

Aid Seen Contingent on Gaydar's Reforms

924C11364 Moscow KURANTY in Russian 3 Apr 92
p 1

[Article by Mikhail Shchipanov: "How Much Is Gaydar Worth?"]

[Text] An egg is dearest at Easter. Literally on the eve of potentially explosive debates at the Sixth Congress of Russian People's Deputies, Europe and America showered Russia with financial promises. German Chancellor H. Kohl, the master of the future rout of the "Big Seven," announced that industrially developed countries are ready to provide Moscow with \$24 billion to help it nurse itself to economic health. Three-quarters of the longed-for amount will go to pay for goods—edible and not so much so—while the remaining dollars will be placed in the piggy bank of the stabilization fund. Simultaneously, on the other shore of the Atlantic, G. Bush announced an additional American contribution of 12 billion "greenbacks" to the IMF accounts.

However, it will only become clear after the congress how wide we should hold our pockets. The famous If and Petrov principle of correlation between the time of the day and the chairs has been adopted by our financial partners to a full degree. In the words of one high-ranking German functionary, the money will start spilling on Russia only provided that the pace of economic reforms set by the Gaydar government continues. So to say, reforms in the morning—credits in the evening. They intend to give us money not on Yeltsin's standing, not for fear of the reds or brown-shirts, but exclusively in order to support the dismantling of the system, whose economic side remains practically untouched by the "decommunization." The promise of large Western subsidies is an open vote of confidence on the part of the "Big Seven" to Ye. Gaydar's government, whose cabinet is associated with a real restructuring of the economy. Taking into accounts that the resignation

of the first deputy prime minister would be perceived in only one way from Bonn to Washington, a volte-face in the Kremlin would have cost our motherland tens of billions.

In short, the shadow of the "Big Seven" will be invisibly present at the coming congress, making the deputies face an additional difficult choice. Actually, this is only one side of the endless saga of dollars in Russia. It is not enough to keep Gaydar's hands free and make an injection the "green fuel" into our coughing economic engine. If one is to believe H. Kissinger's calculations, during the last 15 crisis months alone the Commonwealth received from the rich of this world almost \$40 (!) billion in the form of credits and humanitarian aid. Received, consumed, and still remained suffering from an unquenchable credit thirst.

Mass Unemployment Threat Assessed

924A0894A Moscow TRUD in Russian 2 Apr 92 p 2

[Interview with F. Prokopov, chairman of the Russian committee for population employment, by V. Golovachev, TRUD political columnist, place and date not given: "The Specter of Unemployment Is Taking on Substance: How to Help People Who Have Fallen on Hard Times"]

[Text] In the near future, our society will run into one more agonizing problem (besides the increase in prices and the precipitate drop in the standard of living)—massive unemployment. What are the predictable scales of this painful process? What does the government plan to do? An interview with F. Prokopov, chairman of the Russian committee for population employment, is devoted to this.

[Golovachev] Fedor Timofeyevich, how many unemployed are there in Russia now?

[Prokopov] First of all, let us define what we include in the "unemployment" concept.

[Golovachev] Indeed, this seems reasonable: A person who is out of work is looking for it...

[Prokopov] Well, then, for example, a woman with a baby. She does not have a job. But what would she want? To work not far from home, not in a plant, factory, or on a construction project, not a full day, and, moreover, two hours in the morning and two hours in the afternoon, receive "normal" pay, etc. Obviously: To meet all of these conditions is almost impossible. Thus, is it correct for this woman to have the official status of "unemployed"?

[Golovachev] Why not? It is difficult, in my opinion, to decide the question of payment of allowances in this case...

[Prokopov] No, it is impossible to consider as unemployed everyone who is not engaged in the national economy. Therefore, we clearly separate the concepts of

"not occupied" and "unemployed"; that is, those able-bodied people who for objective reasons lost a job and are looking for a job and want to work.

[Golovachev] But even if you take this very indistinct wording, then how many are there in Russia of the "officially" unemployed and the "unofficially" unemployed?

[Prokopov] Last year, a total of 1.5 million persons came to our center and bureau in search of work. Moreover, about a half million of them had jobs, but they wanted to change, and a million persons, as the saying goes, were really "stranded." More than half of them got jobs with the help of our centers and bureaus. Of the remaining approximately 400,000 persons, 62,000 were acknowledged to be unemployed (on 1 January).

[Golovachev] Did all of them receive allowances?

[Prokopov] No, only 12,000 persons. Part of the people, for three months after being dismissed, were receiving money from the former place of work. Allowances were not due them. Some of them did not want to admit, so to say, that they were "officially" unemployed, and others did not have a right to receive allowances (for example, last year, in order to get allowances it was necessary to have worked no less than 36 calendar weeks in the course of 12 months), and some repeatedly refuse offered suitable work...

There were many who came to us simply to get information; for example, housewives who were pondering the future. That is, those who did not want to register as seeking employment.

Incidentally, last year we had 840,000 to 940,000 open positions and vacancies. But not many of those who come to us rush into these. Meanwhile 300,000 of them generally did not have any kind of a profession... The employment service will try to find a job for those who really want to get down to work and go through retraining.

[Golovachev] What was the situation like in March?

[Prokopov] Judging by the preliminary data, there are today already about 100,000 unemployed persons.

[Golovachev] The Ministry of Economics of Russia forecasts a drop in production—by 20-30 percent, and one of the ministers allows even a 50 percent drop. And if prices for oil and for other energy forms are also freed, then a massive bankruptcy of enterprises cannot be avoided. What can the scales of unemployment actually be?

[Prokopov] First, about bankruptcy. In our country, every tenth enterprise is unprofitable, but at present I do not know of one case of bankruptcy in Russia. Actually, there is a noticeable increase in the branches in the number of enterprises that are approaching bankruptcy.

The insolvency of enterprises already amounts to hundreds of billions of rubles. However, a number of enterprises will be given assistance...

I do not want to say with this that there will not be any bankruptcy at all. No, this is not the case. It is simply too early to talk today about the scales of this phenomenon which is new to us. Economic events can unfold according to quite different scenarios. So that in the very best case (in my opinion, not very realistic) there will be two million unemployed by the end of the year. In the worst case, the army of those waiting outside the gates will be 8-10 million. But such a growth in unemployment—from a one hundredth of a percent to 12 percent, as world practice shows, also does not occur during the course of one year.

It is more probable that this year 6-6.5 million persons will apply to the employment service (five times more than last year). At the same time, 3-3.5 million can count on getting allowances, and 1.5 million will be sent to professional retraining. On the whole, the employment service can arrange work for one-third, and at best a half of those who come to us. And this is a very respectable world level... Many will themselves have to seek work aggressively...

[Golovachev] According to the calculations of experts at the Makroekon center, given a drop of production of 20-25 percent, the growth in unemployment during the year will reach 15-20 million persons. Does at least one of your versions have such figures?

[Prokopov] No, because this is not realistic even in the situation of the current difficult crisis. Imagine: Of 73 million workers, 20 million remain without work—this contradicts not only economic calculations, but common sense also.

[Golovachev] But in the defense complex alone conversion is supposed to take place at 550 enterprises, and massive layoffs are threatened...

[Prokopov] This, perhaps, is one of the most painful processes. In the defense complex, the possibility of layoffs of up to one million workers cannot be excluded entirely. But not 15 million!

[Golovachev] If one judges by data already available: Who most frequently will be laid off—a laborer or a white collar worker?

[Prokopov] The first wave of layoffs affected white collar workers primarily. Not very long ago the acquisition of a higher education was considered prestigious. But now, more than half of the unemployed (and more precisely, 58 percent) have a higher or secondary education diploma. In Tula Oblast, this indicator is especially high—96 percent (that is, in the main, the unemployed are people with diplomas), in Kursk Oblast—93 percent, in Moscow Oblast—69 percent... In a number of regions,

almost one-third of the graduates of VUZ's [higher educational institutions] apply to the employment center and bureau.

Now, immediately after the first wave, an expansion is predicted in the dismissal among workers for economic reasons. Moreover, this will affect workers of the mass professions and, first and foremost, those of middle and lower qualifications.

More and more people are seeking work. While in all of last year a million unemployed citizens applied to the employment service, then in January alone, there were a half million.

[Golovachev] In what cities and regions is the most acute worsening of the situation expected, and when could this happen?

[Prokopov] If we are talking about the near term, then it is predicted that the second half of the year is especially inauspicious. But it is entirely realistic that mass layoffs will start earlier in a number of cities. Here is one of the predictions. Experts do not exclude the emergence of several local centers of unemployment, and, moreover, its level can reach 20-25 percent. That is, each fourth person can become unemployed...

[Golovachev] Can you name these "centers?"

[Prokopov] I would not like to sow panic there prematurely. At various levels of administration, it is possible that measures will be undertaken to soften the severity of the situation. But, if we are talking in general, then, first of all, small and average cities can fall into such a complex situation where the labor market is dominated by one or two large industries with unstable economic prospects.

[Golovachev] What kinds of allowances do the unemployed receive?

[Prokopov] The average size of allowances in 1991 was 290 rubles [R] per month, and now there are no precise data, possibly R800-R1,200...

[Golovachev] Given the increase in unemployment, are there enough resources in the employment fund to pay out allowances?

[Prokopov] According to our calculations, in the fourth quarter of this year, for the payment of allowances and stipends (for retrainees), the fund should have R16-R25 billion (the fund now has 10 times less). One percent of the resources for wages (and this is precisely the dues that enterprises pay into the employment fund) amounts to R15 billion. Thus, even if all enterprises pay dues accurately (but this is far from the case), then, it does not matter, as we see, the necessary sum will not be collected.

[Golovachev] What is the solution?

[Prokopov] Given the overstrained budget, I see only one solution: Increase the tax on the employer, that is,

increase the deduction to the employment fund to two percent. Otherwise, tens of thousands of unemployed will be left without allowances at the end of the year.

But the main thing is that policy in the sphere of employment should first and foremost be aggressive. Assist in preserving the economically advisable jobs in enterprises and organizations that temporarily find themselves in a difficult situation because of a disruption in economic ties. Provide incentives for employers who open up new jobs. Promote the development of entrepreneurship. Develop a system of retraining of the unemployed. This and many other things are envisioned in the government's plans.

Official on Pension Regulations Changes

924A0854A Moscow SELSKAYA ZHIZN in Russian
7 Mar 92 p 4

[Interview with Russian Federation Deputy Minister of Social Protection of the Population A. A. Klimkina, conducted by SELSKAYA ZHIZN correspondent V. Raskin: "News on Pensions in Russia"]

[Text] At the end of last year, President B. N. Yeltsin signed the Russian Federation law, "On Introducing Changes and Amendments Into Articles 8 and 12 of the RSFSR Law 'On State Pensions in the RSFSR.'" This law went into effect on the republic territory as of 1 January of this year. What has the new legislation "brought" to farm workers? Russian Federation Deputy Minister of Social Protection of the Population A. A. Klimkina answers questions posed by our correspondent. Letters from our readers are used in the course of the discussion.

[Correspondent] Why has the Russian parliament once again returned to making corrections in the law "On State Pensions?" What is the essence of these changes?

[Klimkina] According to the plan, the law will go into effect in three stages. Therefore, it requires some legislative correction. The parliamentarians, for example, have introduced changes and have granted rights to ship's cabin boys and regimental sons equal to those of war participants. Also adopted was a very important proposal by the Russian president to increase pensions for all war participants by 30 percent of the minimal amount of the old-age pension. The Russian Federation Supreme Soviet ratified the budget of the republic Pension Fund for the first quarter of this year.

What else is very important? It has been established that the minimal pension would always correspond to the minimal labor wage which, naturally, will also have to be increased due to the growth in prices on products and goods. The minimum wage is determined by the Russian parliament.

I would particularly like to draw attention to the following fact. Previously, supplemental payments were established for invalids and pensioners who required

constant care. Today, along with this, a supplemental payment in the amount of 228 rubles [R] is given to everyone upon reaching the age of 80.

[Correspondent] You spoke of three stages in the introduction of the law "On State Pensions in the RSFSR." Could you remind our readers what stages these are?

[Klimkina] The first stage was reached in March of last year. The second stage took effect on 1 January of this year, and the third stage is the final one. As of 1 July 1992, the Law on State Pensions in the Russian Federation will be effective in full volume.

[Correspondent] Then let us concentrate the attention of the readers on those changes which might be of primary interest to farm workers and to our veterans.

[Klimkina] Russian President B. N. Yeltsin has signed the Law on Introducing Changes and Amendments. What is new, for example, in Article 8? As of 1 January of this year, the amounts of insurance premiums to the Russian Pension Fund have been increased. All organizations, enterprises and institutions must pay a 31.6-percent contribution over the labor wage instead of 20.6 percent. Yet kolkhozes, sovkhozes and other agricultural enterprises still pay 20.6 percent of the labor wage mark-up on all accounts. For everyone else, the insurance premium percentage has been increased, because soon it will become impossible to support the 35 million pensioners in Russia.

[Correspondent] Alevtina Aleksandrovna, our readers are interested in the order of appointment of preferential pensions. Machine operators from Tokarevskiy Rayon of Tambov Oblast I. A. Gavrilin, V. D. Novosaltsev, and N. D. Vintorov have each worked 40 or more years in the mud, snow and frost. So they ask: "Have we not earned any special privileges?" G. I. Morozova from the village of Kupilovo in Tversk Oblast wrote to the editors to say that the dairy maids receive sympathy only in words. The union legislation granted them retirement privileges, while the Russian law has deprived them of this right. Is this true?

[Klimkina] In fact, I have nothing with which to hearten the authors of the quoted letters. As of January, the union legislation is no longer in effect. For the present, the categories of farm workers who have been placed on the Russian government's preferential benefits list are women who have reached the age of 50, if they worked as tractor operators. There is one condition for this profession: One must have worked as a farm tractor or machine operator for no less than 15 years, and had an overall length of service of 20 years. There is an entire series of professions—shepherds, dairy maids, reindeer breeders, and pig-tenders—who under the union legislation attained the right to a preferential pension, while under Russian legislation they have no such rights. More precisely, it is evidently better to say that, for now, the above-named professions are not included. At the present time, a commission has been created within the

Supreme Soviet which will finally sort out the professions aspiring to preferential pensions, and will present its conclusion in time for the introduction of the third stage of the law. However, we must say objectively: The republic does not have the capacity to endlessly expand the lists of preferential professions. This is not done anywhere in the world. We must follow the path of improving the labor conditions. But what is happening now? You work under terrible conditions, but you know that for this you will be able to retire earlier. Yet this is not a way out of the situation.

[Correspondent] Alas, the reality is sad, but you cannot improve the labor conditions all at once.

[Klimkina] Yes, that is true. But let us look more closely at the position of the legislator. The insurance premium from workers in agriculture has been left at the former level—20.6 percent. The Russian law gives the right to the enterprises and organizations themselves to resolve the question of granting an early pension from their own funds. If you have them, you may utilize this right and give early pensions to your workers.

[Correspondent] But what if the farms have a low profitability. Due to various reasons they are barely making ends meet, and their labor conditions are also worse. What should they do?

[Klimkina] It is a sad picture of our reality. But if we allow everyone in rural areas who needs to retire to do so, then there will be no one to work. There are very many elderly people in the villages. It is a vicious circle. I did not mention those who worked as arc welders, electroplaters, or in casting shops in the kolkhozes and sovkhozes. The preferential pension legislation also extends to them.

Beginning with the current year, enterprises and organizations contribute to the Pension Fund the sums necessary to cover the expenses for early retirements. So, this year it is 60 percent of the funds for payment of the pensions, in 1993—70 percent, in 1994—80 percent, in 1995—90 percent, and 100 percent in 1996. Beginning in 1997, the pensions will be granted only at the expense of the enterprises, and not at the expense of the state. Therefore, the list of preferential pensions will not soon disappear.

And let me focus the attention of SELSKAYA ZHIZN readers on the fact that the Russian Supreme Soviet is planning to repeal these insurance premiums.

[Correspondent] What problems have you had occasion to encounter?

[Klimkina] I will remind you that prior to 1989 we had the Law on State and the Law on Kolkhoz Pensions in our country. As we have already said, the farm workers were "pensioned" under a different law. At that time there were numerous problems with establishing minimal pensions for kolkhoz workers, and with determining the length of service... Today, workers,

employees, and farm workers are all subject to one law, and have common problems. Therefore, we will not speak separately about rural pensions. The computing amount of old-age pensions—R342—has been set for everyone. After that, the computation is simplified for each year worked over that necessary for granting awards of service, one percent of the minimal salary added. And here is the situation for giving rise to the problem of levelling.

How someone worked, under what conditions, and so on—no differentiation. The principle on which the new differentiation of pensions depending on labor conditions based does not operate. So there you have the beginning of social injustice.

We have many problems with re-computation of pensions and payment of early compensations. After all, we have been placed in a strict time framework. The law on minimum wage and minimum pensions was adopted in December. The decision on compensations was adopted in that same month. We had to re-compute everything for 35 million people. No sooner had we finished that task than another problem "rolled up." It turned out that there was no cash on hand in the treasury. For a moment there were complaints addressed to us.

We must be ready for the fact that there may be more compensations in connection with the provision of them. We will once again be trying to chase a train that is pulling out. Also, do not forget about the problems of quarterly indexing. And once again we will have to do everything in short order.

[Correspondent] In conclusion to our discussion, please answer the question posed by our readers. The December issue of SELSKAYA ZHIZN published the notes entitled, "Labor of the Minor Does Not Count." This article spoke of those adolescents who began to work in the kolkhozes at the age of 13-14 or earlier, and now their "minor" years are not included in pensioning. A. M. Timoshenko, N. I. Statsenko, M. I. Voldskiy, and others wrote to the editors about this. What can you say to them?

[Klimkina] The commissions granting the pensions deal with each specific case individually at the local level, in order to count length of service from 14 years. Even in the absence of documents—one needs two witnesses. However, we are speaking about those who did not work, and not about those who went out into the field a few times in place of their relatives.

[Correspondent] Thank you for this chat.

Trade Union Activists on Miners' Future
92440851B Moscow RABOCHAYA TRUDOVAYA
in Russian 27 Mar 92 p 1

[Roundtable with the general directors of enterprises and trade union activists, by R.I. correspondent.]

Andriyanov and V. Yurlov; place and date not given: "Last Winter Far Easterners Froze, Next Winter We All Might"]

[Text] The All-Russian Miners' Conference opens tomorrow in Novokuznetsk. Enough issues have accumulated that there is plenty to discuss. This is rightly considered one of the fundamental branches, the state of the country's entire economy depends on its work. On the eve of the conference, our correspondents V. Andriyanov and V. Yurlov met with a group of association general directors and trade union activists. We shall let them speak

[Valeriy Zaydenvarg, president of the Ugol Rossii Corporation] Since the beginning of the year, miners have decreased output by 2.8 percent. In other branches this figure is as much as 20. This means there is a pledge of stability, an opportunity to correct the situation. This tendency must be supported.

We should not be fooling around with price formation and making decisions that specialists believe could lead to catastrophe. The same holds for the program for privatizing the coal branch. There is a danger that such a program could turn into another campaign akin to collectivization.

[Leonid Zavodchikov, general director of the Tulaugol Association] At one time our association yielded 54 million metric tons of coal. Miner settlements were built, as were towns with what were for the times developed infrastructures. Now all that has fallen into decline, as has coal extraction: last year it totaled 11 million metric tons in all. About two billion rubles [R] goes toward maintaining the entire economy. This whole astronomical sum is a heavy burden on the cost of production.

These two billion need to be pulled out of production expenditures and given a separate line in the budget. We can't support the entire society at the miners' expense.

[Anatoliy Oreshkin, general director of the Vorzhutaugol Association] About half a year ago, the word "coal" disappeared from all the signs of Russia's respectable institutions. The coalminers seemed to dissolve in the Ministry of Fuel Energy.

It turns out that the miners have no one to carry on a professional conversation with at the very top. Herein may lie the reason for the government's lack of a sense of obligation. I have in mind the sensational story with the promised \$600 million that never reached the miners.

Keeping in mind the special importance of the branch, I would consider it necessary to suggest that the government make its meetings with the miners not episodic, on the heels of heated events, but planned. Gaydar could see us once a month and the president or his deputy once every half-year.

[Ivan Mokhnachuk, deputy chairman of the Russian Independent Miners Trade Union] Free prices for coal will lead to a situation at the end of the year of having to close

about a hundred mines. Russia is losing about 60 million metric tons of coal. And it is getting 200,000 unemployed. You yourself can imagine what this threatens.

Timber Industry Workers Seek Social Protection

924A0851C Moscow *RABOCHAYA TRIBUNA*
in Russian 27 Mar 92 p 2

[Report by RT correspondent, under the rubric "Everything Continues—What Changes?"; place and date not given: "Timber Merchants Petition"]

[Text] The council of the Rossiyskiye Lesopromyshlenniki corporation has sent an appeal to Russian Federation President B. Yeltsin. The appeal analyzes the crisis situation in Russia's timber complex and proposes measures that could create the conditions for steady work in the complex's enterprises as well as ensure social protection for the branch's workers.

In particular, the Rossiyskiye Lesopromyshlenniki state corporation feels it is necessary not to tax the profit that timber complex enterprises put into technical reequipment, reconstruction, and expansion of production, as well as the construction of housing and social-communal sites. A rate of profit taxation also should be established that is not more than 15 percent, instead of the 32 percent specified by current legislation.

The allocations procedure for road funds must be changed for timber complex enterprises; the highway use tax should be set at 0.1 percent of the volume of output of production instead of 0.4 percent; in the paying of tax from owners of means of transportation, timber transport equipment should be excluded from the objects of taxation; and enterprises should be freed from paying taxes on the acquisition of timber transport means.

It is necessary to establish that the amount of tax confirmed by the government of the Russian Federation for lumber released for the bucket chain cannot be raised by local organs of power.

The most prominent specialists in the branch also feel it is necessary to include expenditures for the construction of all types of lumber roads in the cost of goods production. It is necessary to proceed from the minimum monthly wage for a first-class worker approved in the branch agreement in the amount of 900 rubles in calculating the normalized wage fund considered in taxation. At the same time, a corresponding rise in the minimum wage must be ensured that takes into consideration the increase in the consumer price index.

FNPR Says No to USSR Congress of People's Deputies

924A0784B Moscow *RABOCHAYA TRIBUNA*
in Russian 13 Mar 92 p 1

[Article by Viktor Ukolov: "From the Position of the FNPR—Vasily Romanov Will Not Go to the Congress"]

[Text] One additional question was suddenly "inserted" into the agenda Wednesday at a meeting of leaders of branch trade unions of Russia. It was introduced on the personal initiative of Vasilii Romanov, deputy chairman of the soviet of the FNPR [Federation of Independent Trade Unions of Russia].

"I want to consult with you," he said. "I have received a proposal to take part in a so-called special Congress of People's Deputies of the USSR, which, as you know, has been set for 17 March by the leadership of the 'Working Russia' movement. I personally consider this to be inadvisable. There can be no question of any kind of restoration of the Union in its previous form. Reanimation of the central authority would infringe on the sovereignty of Russia. In addition, the parliament of Russia adopted a resolution on terminating the authority of USSR deputies on the territory of our federation."

"I was elected to the Supreme Soviet from the trade unions. It is necessary for me to execute their will."

A vote was taken. All 39 leaders of branch trade unions supported V. Romanov. In effect, this also expressed the position of the FNPR with respect to the aforementioned congress.

Yeltsin Decree on Road-Building Finances

92SD02924 Moscow ROSSIYSKAYA GAZETA
in Russian 21 Mar 92 First Edition p.2

["Decree by President of the Russian Federation 'On Day-to-Day Disposition of Resources Going Into the Federal Road Fund'"]

[Text] For the purpose of a day-to-day solution of problems concerning the financing of road work, I decree

1. To establish that the Ministry of Transport of the Russian Federation works out and submits to the Ministry of Economics of the Russian Federation and to the Ministry of Finance of the Russian Federation proposals for long-term programs for and forecasts of the development of motor roads, organizes the holding of competitions and the conclusion of contracts (agreements) with work superintendents for the planning, maintenance, repair, reconstruction, and construction of federal roads, controls the performance of work in accordance with norms and rules, ensures a prompt application of sanctions during a breach of contractual terms and the acceptance of work, and implements other measures connected with road management and with ensuring a freely moving and regular traffic of transport facilities on federal roads.

For this purpose to entrust the Ministry of Transport of the Russian Federation with the performance—within the expenditure items of the budget of the Federal Road Fund of the Russian Federation—of credit and financial operations coordinated in terms of time limits with the performance of the indicated work

2. The Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation

—shall exercise day-to-day control over the allocation of resources of the Federal Road Fund of the Russian Federation strictly in accordance with the approved budget of this Fund.

If the resources of the Federal Road Fund are used for purposes not specified by the legislation of the Russian Federation, shall submit to the Government of the Russian Federation proposals for stopping the illegal expenditure of these resources.

[Signed] B. Yeltsin, president of the Russian Federation
Moscow, the Kremlin
29 February 1991
No. 204

Road-Building Fund Resolution

92SD02928 Moscow ROSSIYSKAYA GAZETA
in Russian 21 Mar 92 First Edition p.2

["Resolution of the Supreme Soviet of the Russian Federation 'On the Establishment of the Procedure for the Formation and Use of the Federal Road Fund of the Russian Federation'"]

[Text] The Supreme Soviet of the Russian Federation decrees.

1. To establish the Procedure for the Formation and Use of Resources of the Federal Road Fund of the Russian Federation (attached).

2. To prohibit the use of resources of the Federal Road Fund of the Russian Federation for the maintenance of the administrative staff of ministries and departments

[Signed] R. I. Khasbulatov, chairman of the Supreme Soviet of the Russian Federation
Moscow, House of Soviets of Russia
23 January 1992, No. 2235-1

PROCEDURE for the Formation and Use of the Federal Road Fund of the Russian Federation

Approved by the Resolution No. 2235-1 Dated 23 January 1992 of the Supreme Soviet of the Russian Federation

1. This procedure is elaborated in execution of the resolution dated 18 October 1991 of the RSFSR Supreme Soviet "On the Implementation of the RSFSR Law 'On Road Funds in the RSFSR'."

2. The resources of the Federal Road Fund of the Russian Federation (hereinafter "Fund") are not subject to withdrawal or expenditure on needs not connected with the maintenance and development of public motor roads pertaining to federal property (hereinafter "federal roads") and with road management and are not taxed.

3. The revenue part of the fund is formed in accordance with the RSFSR Law on Road Funds in the RSFSR from the following [sources] going into it:

- the federal tax on the sale of fuels and lubricants (in monetary terms);
- 25 percent of the tax on users of motor roads;
- excises on the sale of passenger cars for citizens' private use;
- federal and territorial taxes on the sale of fuels and lubricants, the tax on users of motor roads, the tax on the purchase of motor transport facilities (except for those purchased by citizens for private use), and the tax on owners of transport facilities paid in the cities of Moscow and St. Petersburg, as well as arrears and fines exacted for nonpayment of the indicated taxes in these cities;
- arrears of excises on the sale of passenger cars for citizens' private use and of the federal tax on the sale of fuels and lubricants and 25 percent of the arrears of the tax on users of motor roads;
- fines for nonpayment of excises on the sale of passenger cars for citizens' private use and of the federal tax on the sale of fuels and lubricants and 25 percent of the amount of fines for nonpayment of the tax on users of motor roads;
- the charge (in case of its introduction by the Government of the Russian Federation) for the passage of transport facilities of foreign states on Russia's motor roads;
- resources from other sources (including appropriations from the republican budget of the Russian Federation).

The taxes mentioned in this point and their rates can be refined by the Supreme Soviet of the Russian Federation.

4. The procedure for the calculation of taxes and their entry and that of other resources into the Fund, as well as the mechanism of control over a prompt and correct calculation of taxes and charges going into the Fund, is determined by the Government of the Russian Federation.

5. The floating of loans, conduct of lotteries, and sale of shares for the purpose of obtaining additional resources for the construction of federal roads are organized in accordance with the procedure established by the Government of the Russian Federation.

6. Arrears and fines for nonpayment of taxes and excises mentioned in point 3 are exacted in accordance with the procedure and in the amounts established by the Russian Federation Law on the Principles of the Tax System in the Russian Federation.

7. In republics forming part of the Russian Federation, krais, oblasts, autonomous oblasts, and autonomous okrugs, where the estimated amount of tax payments for the sale of fuels and lubricants subject to entry into road funds does not exceed 50 million rubles, the entire amount of these payments is assigned to the appropriate territorial road fund.

The list of such republics forming part of the Russian Federation, of krais, of oblasts, of autonomous oblasts, and of autonomous okrugs, as well as the amount of subsidies and subventions, is determined annually by the Government of the Russian Federation and is approved by the Supreme Soviet of the Russian Federation as part of the Fund's annual budget.

In case of an actual excess of the estimated amount (50 million rubles) of tax payments on the sale of fuels and lubricants the amount of this excess, but not greater than the amount formed at the rate of the federal tax on the sale of fuels and lubricants, is compulsorily transferred to the Fund from the appropriate territorial road fund of a republic forming part of the Russian Federation, of a kray, of an oblast, of an autonomous oblast, and of an autonomous okrug.

8. Appropriations from the republican budget of the Russian Federation can be allocated in case of a shortage of the Fund's resources for the construction and reconstruction of federal roads.

The amount of appropriations from the republican budget of the Russian Federation for the indicated purposes by representation of the Government of the Russian Federation is established by the Supreme Soviet of the Russian Federation during the approval of the republican budget of the Russian Federation for the relevant year.

9. Resources going into the Fund are concentrated in a special extrabudgetary account in the Central Bank of the Russian Federation, including for each tax in a separate subaccount.

The day-to-day disposition of resources going into this account is carried out by the Government of the Russian Federation (the Ministry of Economics and Finance of the Russian Federation).

10. Enterprises, associations, organizations, entrepreneurs, and citizens transfer the taxes and other monetary assets established by the RSFSR Law on Road Funds in the RSFSR to the Fund's special account in the Central Bank of the Russian Federation and its local institutions and, in case of their absence, to other banks on its behalf on the following dates:

- the federal tax on the sale of fuels and lubricants—monthly, on the date set for the payment of the added-value tax;
- the tax on users of motor roads—monthly, before the 15th for the previous month.

- in the cities of Moscow and St. Petersburg the territorial tax on the sale of fuels and lubricants—before the 5th for the previous month; the tax on owners of transport facilities—annually, no later than 1 August, if other dates are not set by the soviets of people's deputies of these cities; the tax on the purchase of motor transport facilities—before their registration and reregistration;
- excises on the sale of passenger cars for citizens' private use—on the basis of the procedure established and on the dates set in accordance with the RSFSR Law on Excises.

The responsibility for a correct calculation and prompt payment of taxes into the Federal Road Fund of the Russian Federation is entrusted to managers of enterprises, associations, and organizations, entrepreneurs, and citizens.

11. The Fund's revenues and expenditures are regulated by annual budgets, which determine:

- the expected annual monetary assets going into the Fund from basic sources;
- amounts of resources from the Fund's basic expenditure items;
- amounts of subsidies allocated from the Fund, including the transfer into territorial road funds of 50 percent of the excises on the sale of passenger cars for citizens' private use going into the Fund, as well as amounts of subventions;
- the list of republics forming part of the Russian Federation, of krais, of oblasts, of autonomous oblasts, and of autonomous okrugs, in the territory of which payments of the federal tax on the sale of fuels and lubricants are assigned to their territorial funds;
- refined percent of payments into the Fund of the tax on users of motor roads in individual territories receiving subsidies.

12. The Fund's annual draft budget, which cannot be unbalanced, is prepared by the Government of the Russian Federation and is submitted to the Supreme Soviet of the Russian Federation no later than on the date of submission of the republican draft budget of the Russian Federation.

The Commission on Transport, Communication, and Information Science, jointly with the Commission on the Budget, Plans, Taxes, and Prices, organizes an examination of the Fund's annual draft budget and submits it for approval to the Supreme Soviet of the Russian Federation with a draft of the relevant resolution.

13. The distribution of the Fund's resources according to specific directions for the forthcoming financial year is made through a systematic determination of the amounts of the Fund's basic expenditure items and reserve resources enumerated below:

- maintenance and repair of the existing network of federal roads;
- the carry-over of the Fund's resources at the end of the forthcoming financial year;
- the reserve of the Fund's resources;
- federal expenditures (in accordance with point 20 of this Procedure);
- purchase of road maintenance equipment and other property necessary for the functioning and maintenance of federal roads;
- reconstruction and construction of federal roads and installations on them (carry-over projects);
- reconstruction and construction of federal roads and installations on them (newly begun projects), as well as the development of the production base of road organizations;
- subventions and subsidies.

The Fund's budget does not provide for expenditures on the indicated newly begun projects, subventions and subsidies in case of a shortage of resources for the maintenance and repair of the existing network of federal roads, and obligatory expenditure items (the carry-over, the reserve, and federal expenditures).

14. The maintenance and repair of a motor road included in the list of federal roads for the first time are financed with the Fund's resources from the moment of its inclusion in this list, while reconstruction and construction, after the refinement (for carry-over projects) or approval (for newly begun projects) of the necessary documents for these types of capital construction.

When a motor road is excluded from the indicated list during the first half year, its maintenance, repair, reconstruction, and construction are financed with the Fund's resources before the end of the year and, when it is excluded during the second half year, before the end of the first half of the following year.

15. The amount of resources for the maintenance and repair of federal roads is determined according to the norms of monetary expenditures on the maintenance (including repair) of the indicated roads.

16. The carry-over of the Fund's resources in an amount not exceeding 5 percent of the Fund's annual revenues from basic sources is intended to ensure the continuity of financing during the first quarter of the year following the year for which the Fund's budget is approved.

17. The reserve of the Fund's resources is established in an amount not exceeding 2 percent of the Fund's annual revenues from basic sources and during the year, in accordance with the decision of the Government of the Russian Federation, can be spent on financing the elimination of the consequences of natural calamities and

other emergency expenditures connected with the restoration of a normal functioning of federal roads

18. The performance of work on the maintenance and repair of federal roads is legalized by a contract between the state body of road management, or by the legal entity authorized by it, and by any specialized organization undertaking the performance of this work.

19. The construction and reconstruction of federal roads are financed from the Fund on the basis of contracts between the state body of road management, or the legal entity authorized by it, and any specialized organization undertaking the performance of this work.

20. Federal expenditures are financed with the Fund's resources according to the following directions:

- supervision over the state of federal roads and installations on them, including control, technical inspection, tests, and certification;
- elaboration of long-term programs, long-term and annual forecasts of the technical state, and plans for the maintenance and development of federal roads;
- holding of competitions and conclusion of contracts (agreements) for the performance of work on the maintenance, repair, reconstruction, and construction of federal roads and installations on them, financing of this work, supervision over its performance, and acceptance;
- control over the payment of taxes into the Federal Road Fund of the Russian Federation;
- analysis of road transport accidents on federal roads, including those connected with unsatisfactory road conditions, and development of measures to eliminate the causes creating these conditions;
- development of measures to increase the traffic capacity of and to improve federal roads and installations on them, as well as to protect the environment and especially preserved historical-cultural and natural territories, through which federal roads pass, against their harmful effect, and organization of traffic and information on traffic conditions for the users of these roads;
- payment for land in accordance with the RSFSR Law on the Payment for Land occupied by federal roads, installations on them, and facilities necessary for the maintenance of these roads;
- information support for bodies of road management of a republic forming part of the Russian Federation, of a kray, of an oblast, of an autonomous oblast, and of an autonomous okrug;
- recording and forecasting of the intensity and makeup of traffic on federal roads;
- supervision over the observance of rules concerning the protection of federal roads and installations on them and of the procedure for their use;
- elaboration of proposals for a temporary restriction or suspension of traffic on federal roads owing to road and climatic conditions and organization of the handling of traffic;
- recording of the property necessary for a normal functioning and maintenance of federal roads and for the management of this property;
- elaboration of proposals for making changes in the list of federal roads;
- mobilization preparation of federal roads;
- scientific research, experimental design, and promotional work of a general sectorial nature;
- training and retraining of road management personnel;
- recording of changes in the balance value and wear of federal roads and maintenance of statistical and accounting records of expenditures on the maintenance and development of these roads and their management;
- development of proposals for the distribution of the Fund's resources;
- generalization of the practice of application of road legislation;
- drafting of normative acts, including technical norms for public motor roads;
- preparation of annual reports and publication of annual statements on the expenditure of the Fund's resources and plans for their use.

21. Annual subventions and subsidies from the Fund for leveling out in the territory of the Russian Federation the development of the network of public motor roads pertaining to the property of republics forming part of the Russian Federation, of krais, of oblasts, of autonomous oblasts, and of autonomous okrugs are allocated to their bodies of state power, or to bodies of executive power authorized by them, by representation of the Government of the Russian Federation within the relevant expenditure item of the Fund's annual budget.

In case the resources of the territorial road fund and subventions are used not according to purpose, the transfer of subsidies is stopped and subventions in the amount of resources previously transferred during the year are compulsorily refunded to the Fund from the territorial road fund.

22. The allocation of the Fund's resources for financing scientific research, experimental design, and promotional work of a general sectorial nature, federal roads

newly begun by a construction organization, and installations on them and the planning of these facilities, as well as the conclusion of contracts for the maintenance of federal roads and installations on them, are carried out on a competitive basis.

23. The Fund's resources are used on the basis of the approved annual budget. The Fund's resources not used as a result of the saving of expenditures according to its annual budget are returned to the Fund, or are taken into account in financing during subsequent periods.

24. Voluntary contributions for specific purposes going into the Fund are used according to the wishes of those who make them, if this does not contradict this Procedure. In case of contradiction the amount of contributions is assigned, in accordance with their wishes, to some other fund.

25. Fifty percent of the excises on the sale of passenger cars for citizens' personal use going into the Fund are assigned to the territorial road funds of republics forming part of the Russian Federation, of krais, of oblasts, of autonomous oblasts, and of autonomous okrugs receiving subsidies from the Fund.

26. The Fund's free resources can be assigned for entrepreneurship connected with the activity specified by this Procedure for the purpose of obtaining additional resources for the Fund, including for the crediting of expenditures of enterprises and other legal entities participating in the development of road management.

27. The Government of the Russian Federation annually reports to the Supreme Soviet of the Russian Federation on the fulfillment of the Fund's annual budget and publishes in the republican press a report on the expenditure of its resources and plans for their use.

28. In case of nonconformity of the use of the Fund's resources to this Procedure, or to the legislation of the Russian Federation, the Government of the Russian Federation stops their illegal expenditure.

'Transstroy' State Corporation Formed

Charter Issued

92440847A Moscow TRANSPORTNOYE
STROITELSTVO in Russian No 1, Jan 92 pp 2-6

[Text of "Charter of the Transstroy Transport Construction State Corporation"]

[Text]

General Provisions

1. The Transstroy State Corporation, hereinafter called the Corporation, was formed by decree of the RSFSR Council of Ministers on the basis of a decision of the charter conference of transport construction enterprises and organizations of 5 December 1990.

The Transstroy State Corporation

—functions as a production-management complex operating on the basis of the legislative enactments of the RSFSR, agreements with other republics, and charter documents,

—and is part of the RSFSR construction complex

The purpose of creating the Corporation was to provide favorable conditions for performing production and economic tasks, balanced development of production capacities, coordination of activity when necessary, and protection of the rights and representation of the common interests of enterprises in Soviet and foreign organizations.

2. The following are the Corporation's subjects of activity:

—construction in the country's territory and abroad of railway, sea, and river transport, civil aviation, state highways, subways, tunnels, bridges, and other installations and structures.

—planning and determination of prospects of development on the basis of programs, interrepublic and republic orders, and agreements concluded with the consumers (or purchasers) of output, jobs, or services, including those with state organs and suppliers of material-technical resources, as well as contracts and other agreements, including international ones.

—participation in cleaning up the consequences of accidents and disasters in transport and after natural and ecological disasters;

—scientific-research work in the area of equipment, technology, and economics of transport construction;

—formulation of project-estimate documentation for construction of transport and other installations.

—development of master plans for future development of a network of state and republic highways with the participation of interested organizations.

—temporary operation of transport installations under construction;

—production of construction materials and elements, manufacture of machines and equipment for transport construction, capital repair of machines and mechanisms, production of consumer goods and other output, and rendering of paid personal services.

—training of specialists through the secondary specialized institutions system.

—organization of trade services for transport construction workers;

—provision of services at transport installations.

—fulfillment of other functions envisioned by decisions of state organs.

3. In its activity the Corporation is guided by RSFSR legislation, the normative enactments of state organs, agreements with other republics, and this Charter.

4. State and leased enterprises, joint stock companies, cooperatives, and small and other enterprises and organizations (hereinafter called enterprises) regardless of the form of ownership may join the Corporation. **The Corporation is open to permit enterprises, including those located outside the borders of the RSFSR, to join.**

The admission of new members to the Corporation is carried out by decision of its supreme organ on the basis of the enterprise's application.

The entry of enterprises into the Corporation does not change ownership relations. The enterprises retain full economic independence and have the right to withdraw from the Corporation and retain all the contract obligations they have assumed.

The enterprise must inform the Corporation's management organs of its withdrawal from the Corporation at least 3 months before departure.

An enterprise may be expelled from the Corporation for violating the Corporation's Charter by decision of its supreme organ.

5. The Corporation is a legal entity, has an independent balance sheet, and functions as a production-management complex. The Corporation may act as one of the founders when the Corporation enterprises set up unions, economic associations, concerns, or other associations either on the territory of the RSFSR or other republics, or abroad.

The Corporation has a seal with an image of the State Emblem of the RSFSR and its own title.

The Corporation answers for its obligations with the property it owns, which may be garnished by law. The State is not responsible for the Corporation's obligations, just as the Corporation is not responsible for the State's obligations. The Corporation is not responsible for the obligations of its member enterprises. **Enterprises are responsible for the Corporation's obligations within the limits of their contributions to its charter fund.**

The executive organs of the Corporation are located in the city of Moscow.

Fundamental Tasks of the Corporation

6. The following are the fundamental tasks of the Corporation:

- development and realization of a progressive technical policy and strategy of development of transport construction and **participation in formulating construction norms and rules, standards, and other normative documents;**
- support of the launching of production capacities and installations of the social sphere and installations for state needs and their provision with material-technical resources in the established manner;

—assistance to enterprises in supplying material-technical resources;

support of the interaction of technologically related enterprises in the Corporation;

—strengthening and balanced development of the scientific-technical and production potential of transport construction;

—organization of an effective system of cadre training and retraining;

—development of the export potential of Corporation enterprises and their foreign economic ties;

—improvement of the social protection of workers in transport construction, improvement of their working conditions, and performance of other social tasks of collectives;

—performance of functions to manage state property which is classified as federal property of the RSFSR as well as property managed by enterprises operating on the territory of other republics within the limits of the powers delegated by those republics;

—performance of other functions imposed by state organs.

The Structure and Management of the Corporation

The Participants' Meeting

7. The **Participants' Meeting** is the Corporation's highest organ and consists of the first managers of all the enterprises which are members of the Corporation and are legal entities.

The Participants' Meeting is authorized to make decisions on any questions of the Corporation's activity. The following are the exclusive jurisdiction of the Participants' Meeting:

—amending the Corporation's Charter;

—determining the fundamental directions of the Corporation's activity, ratifying future plans, and summarizing the results of the Corporation's work;

—ratifying plans for development and siting of the Corporation's material-technical base;

—adopting decisions on admitting new members into the Corporation as well as expelling enterprises from it;

—forming special-purpose funds and reserves of the Corporation;

- holding the election of the Corporation president, vice presidents, and other members of the Corporation's Governing Board and discharging them from their posts ahead of schedule;
- ratifying the estimated income and expenditures of the working apparatus of the Corporation's Governing Board and setting the salary for the president and the forms and systems of labor payment of employees of the Corporation's apparatus;
- electing and recalling members of the auditing commission and ratifying the reports and findings of the auditing commission.

The Participants' Meeting is authorized to make decisions if at least two-thirds of the participants are present at the session. A participant in the Corporation has the right to turn his powers in the Meeting over to another participant in the Corporation after properly filling out the proxy document.

Decisions of the Participants' Meeting are made by a majority of votes of those present at the session. Each participant has one vote in the Meeting. Decisions on questions of electing or discharging the Corporation's president, ratifying the Charter, or expelling enterprises from the Corporation for violating the Charter are made by open or secret ballot, when at least two-thirds of those participants present and no less than half of the total number of participants in the Corporation vote for this decision. The consent of the enterprise is needed to decide questions involving transfer of the enterprise's fixed capital, material resources, or financial capital.

The Corporation Participants' Meeting is convened at least once every half year. Extraordinary meetings can be convened by decision of the president or by demand of at least 20 percent of the participants.

To prepare decisions of the Corporation Participants' Meeting, commissions which in necessary cases include specialists of other sectors and representatives of trade unions may be set up and operate on a permanent or temporary basis.

The decisions of the Corporation Participants' Meeting are made official by decrees.

The decisions of the Corporation Participants' Meeting adopted within the limits of its competence are obligatory for the executive organ and the enterprises of the Corporation.

8. The chairman of the Participants' Meeting is the president of the Corporation elected by the Meeting for a 5-year term. The president of the Corporation may be discharged from his post early by the Participants' Meeting if he violates the Charter or performs the functions he is charged with unsatisfactorily.

The Corporation Governing Board

9. The Corporation's executive organ is the Governing Board, with the number of members determined by the Participants' Meeting. The Governing Board is headed by the president of the Corporation. Members of the Governing Board include the vice presidents of the Corporation elected at the president's suggestion by the Participants' Meeting for a 5-year term, as well as the managers of the Corporation organizations and enterprises and the structural subdivisions of the Governing Board's working apparatus and leading scientists elected at the president's suggestion by the Participants' Meeting for a 2-year term. In addition, the managers of the republic associations of the transport construction organizations and enterprises and the representatives of sectorial trade unions become members of the Governing Board by virtue of their positions.

10. The Corporation Governing Board carries out its activity in accordance with the Statute ratified by the Participants' Meeting and within the limits of the powers established by it.

The Governing Board and the Corporation president are also charged with performing functions delegated by state organs in the established manner.

11. The following are the basic functions of the Corporation Governing Board:

(Functions To Support Enterprises' Activity)

- analysis and forecasting of the economy's need for construction of transport installations, study of consumer demands on the technical level of the structures and price dynamics, and provision of enterprises with the necessary information;
- formulation of balance sheets of the Corporation's capacities and resources, assistance in organizing internal system cooperation of technologically related scientific, design, construction general contracting, and specialized organizations and industrial enterprises, and assistance in organizing external cooperation with other sectors;
- determination of the development strategy of transport construction and organization of the formulation and realization of programs to raise the technical level of jobs being performed and structures being erected;
- organization of expert studies of plans for major and complex installations and support for incorporating scientific-technical advances in transport installation plans;
- methodological guidance of the sectorial system of scientific-technical information;
- educational methods support for training and raising the qualifications of specialists and workers;

- defense of the need for centrally allocated resources, distribution of those resources among enterprises, and provision of state order projects with material resources;
- organization of work to refine economic relations in the Corporation system, the mechanism of economic activity, and the systems of labor payment, price setting, and contract work; and dissemination of progressive know-how in economic work;
- organization of the activity of arbitration tribunals to review economic disputes between Corporation enterprises;
- presentation to state organs of proposals on the use of tax benefits, subsidies, and subventions for Corporation enterprises;
- organization of the use, on voluntary and mutually beneficial principles, of financial capital and other resources of Corporation enterprises and other interested partners to finance scientific-technical, investment, and other programs;
- methodological guidance of bookkeeping and accounting in Corporation organizations and receipt from enterprises of the information needed to carry out the functions charged to the Governing Board's apparatus;
- defense of requests for capital investments financed through the state budget and monitoring of their effective use;
- formulation, taking into account the enterprises' proposals and with the consent of republic and local organs of government, of plans for developing and siting production capacities;
- organization of the system for training, retraining, and raising the qualifications of cadres, and formation together with labor collectives of a highly skilled cadre reserve of enterprise managers and specialists and for the working apparatus of the Corporation Governing Board;
- methodological guidance of work to protect the environment and ensure rational nature use;
- identification of the world market's need for the Corporation's output, rendering of assistance to enterprises in organizing construction of installations abroad and economic and scientific-technical cooperation with foreign firms, and handling of export-import transactions;
- organization of work to sell abroad and buy licenses and to put the licenses bought to use in production;
- interaction and defense of the interests of the Corporation and its enterprises in organs of state and sectorial management and in international formations;

- organization of work to set up data banks and provide enterprises with information on the development of legislation in the field of investment activity, on normative enactments, and on potential subjects of cooperation in the country and abroad and on other questions of economic life;

(Functions Delegated by State Organs)

- participation in the work of councils of state enterprises whose property is classified as federal property of the RSFSR as a representative of the owner;
- development of proposals for programs to privatize transport construction enterprises and participation in work of commissions to privatize enterprises;
- participation in creating holding companies on the basis of Corporation enterprises;
- organization of work to shape an effective production structure of the Corporation, to create, reorganize, or liquidate state enterprises, to develop specialization and collaboration in production, and to create joint ventures and service, information, and other centers and organizations;
- organization of competitive placement of state orders for Corporation enterprises to design and build transport installations and organization of contract negotiations under the customers' instructions and participation in them;
- determination of prospects for development on the basis of programs and interrepublic and republic orders;
- conclusion of agreements with consumers (or purchasers) of output, jobs, or services, including with state organs and suppliers of material-technical resources, as well as contracts and other agreements, including international ones;
- monitoring of the execution of contracts to fulfill a state order and the use of centrally allocated resources;
- organization of the development of construction norms and other normative documents on transport construction, including labor safety and safety procedures during construction of transport installations;
- organization of work to prevent accidents in transport and to clean up their consequences, including restoring routes of travel and engineering installations which support the work of railway, air, sea, river, and motor transport;
- organization of work to use centralized reserve sources and in the established manner create the material-technical resources needed to carry on work related to cleaning up the consequences of accidents on transport;
- organization of work related to performing mobilization tasks, providing technical coverage, and restoring railroads, seaports, large bridges, and tunnels;

—management of production-management activity of railroad troops and the Transzhstroy PSO (possibly construction production association).

12. The Corporation Governing Board makes decisions at its sessions. The decisions of the Governing Board are considered valid if at least two-thirds of the Governing Board's elected members take part in the session. If there is a tie, the presiding officer's vote is the deciding one.

The Corporation president ensures that records are kept of Participants' Meetings and sessions of the Corporation Governing Board.

13. A working apparatus is created to support the work of the Governing Board. The structure of the Governing Board's working apparatus includes functional subdivisions and departments which group enterprises by type of activity and specialization.

The Corporation President

14. The president of the Corporation does the following:

- organizes and bears responsibility for performing the Corporation's tasks and Governing Board's functions and makes sure the Corporation Participants' Meeting's decisions are carried out;
- handles the capital of the Corporation Governing Board within the limits of the rights granted by the Meeting and issues proxies;
- presents candidates for managers of structural subdivisions of the Corporation Governing Board's working apparatus to the Governing Board for approval;
- distributes duties among the vice presidents and other members of the Corporation Governing Board and structural subdivisions of the Corporation Governing Board's working apparatus;
- establishes the size, structure, and personnel schedule of the Corporation Governing Board's working apparatus and position salaries of employees within the limits of the capital approved by the Participants' Meeting;
- with the consent of the labor collectives ratifies the charters and appoints the managers of state enterprises whose property is classified as federal property of the RSFSR;
- ratifies the statutes on structural subdivisions of the Corporation Governing Board's working apparatus;
- performs other functions imposed upon him by the Corporation Participants' Meeting and delegated by state organs.

The Corporation president carries out actions on behalf of the Corporation without an authorizing document. Other members of the Governing Board act on behalf of the Corporation within the limits of the competence established by the president.

Within the limits of his competence the Corporation president issues orders and other enactments.

15. The auditing commission, whose members are appointed by the Participants' Meeting for a 2-year term, monitors the financial activity of the Corporation Governing Board. Members of the Governing Board and employees of the Corporation Governing Board's apparatus cannot be members of the auditing commission. The auditing commission answers for its own activity to the Participants' Meeting and reports to that Meeting on the audits made as well as on findings on annual reports of the Corporation Governing Board.

16. Expenditures related to the work of the Governing Board and the auditing commission come out of the capital of the Corporation Governing Board's budget.

Property and Funds

17. The property of the Corporation Governing Board is made up of charter members' contributions in the form of material, monetary, and currency reserves, bank credits, receipts from the state budget, income from the activities of cost-accounting subdivisions of the Corporation Governing Board, sale of securities, and other sources.

A fund for development of science and technology and organization of management is formed from these sources to perform the tasks and functions charged to the Corporation. It is used to finance expenditures to realize sectorial scientific-technical programs and to develop systems of scientific-technical information, propaganda, and dissemination of progressive know-how and other expenditures determined by the Corporation Participants' Meeting.

The enterprises may form other funds on a voluntary basis. The formation of all funds is carried out through targeted contributions of enterprises to finance particular programs.

18. The financial activity of the Corporation Governing Board is carried out on the basis of a financial plan ratified annually by the Corporation Participants' Meeting.

Rights and Obligations of the Corporation Enterprises

19. The enterprises which are members of the Corporation have the following rights:

- to present proposals on questions of the Corporation's activity for review of the Corporation management organs and to participate in discussing these issues at all levels;
- to obtain output and use the services of other Corporation enterprises, including performance of jobs under subcontracting agreements for construction projects.

—to obtain from the Corporation Governing Board information on the Corporation's activity

20. The enterprises which are members of the Corporation are under obligation to do the following:

—comply with the Corporation's Charter and the decisions of its management organs;

—give the Corporation assistance in carrying out its tasks and functions;

—present information to the Governing Board on the enterprise's activity according to a data sheet put together by the Corporation Participants' Meeting

Reorganization and Suspension of the Corporation's Activity

21. The question of the reorganization and suspension of the Corporation's activity and of the procedure for liquidation is decided by the Corporation Participants' Meeting and the RSFSR Council of Ministers.

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Board Activities Noted

924A084 "B Moscow TRANSPORTNOYE STROITELSTVO in Russian No 1, Jan 92 pp 7-8

[Text of "Statute on the Governing Board of the Transstroy State Corporation"]

[Text]

1. General Provisions

1.1 The Governing Board of the Transstroy State Corporation is its executive organ; it manages the Corporation's ongoing activity

1.2 There are 58 members of the Corporation Governing Board. Persons who are members of the Governing Board include the following: the president of the Corporation elected by the Participants' Meeting, the vice presidents of the Corporation elected at the president's suggestion by the Participants' Meeting, the managers of the Corporation's organizations and enterprises and of the structural subdivisions of the Governing Board's working apparat, and leading scientists elected at the president's suggestion by the Participants' Meeting. The president and the vice presidents of the Corporation are elected for 5-year terms and the rest of the Governing Board members for 2-year terms. In addition, the managers of the republic associations of the transport construction organizations and enterprises and the representatives of sectoral trade unions become members of the Governing Board by virtue of their positions.

1.3 Members of the Governing Board may be discharged from their duties by decision of the Participants' Meeting if their activity is found to be unsatisfactory.

1.4 The Governing Board is subordinate to the Corporation Participants' Meeting and organizes the execution of its decisions

1.5 The Governing Board sets up a working apparat to carry out its functions. The structure of the working apparat includes functional subdivisions and specialized centers organized by type of construction

Expenditures for maintaining the Governing Board and the working apparat are set by the Corporation Participants' Meeting

2. Functions of the Governing Board

2.1 The Governing Board decides all questions of the Corporation's activity other than those which are considered to be under the exclusive jurisdiction of the Participants' Meeting. The following are the basic functions of the Corporation Governing Board and its working apparat

(Functions To Support Enterprises' Activity)

—analysis and forecasting of the economy's need for construction of transport installations, study of consumer demands on the technical level of the structures and price dynamics, and provision of enterprises with the necessary information

—formulation of balance sheets of the Corporation's capacities and resources, assistance in organizing internal system cooperation of technologically related scientific, design, construction general contracting, and specialized organizations and industrial enterprises, and assistance in organizing external cooperation with other sectors.

—determination of the development strategy of transport construction and organization of the development and realization of programs to raise the technical level of jobs being performed and structures being erected.

—organization of expert studies of plans for major and complex installations and support for incorporating scientific-technical advances in transport installation plans.

—methodological guidance of the sectoral system of scientific-technical information.

—defense of the need for centrally allocated resources, distribution of those resources among enterprises, and provision of state order projects with material resources.

—organization of work to refine economic relations in the Corporation system, the mechanism of economic activity, and the systems of labor payment, price setting, and contract work, and dissemination of progressive know-how in economic work.

- organization of the activity of arbitration tribunals to review economic disputes between Corporation enterprises;
- presentation to state organs of proposals on the use of tax benefits, subsidies, and subventions for Corporation enterprises;
- organization of the use, on voluntary and mutually beneficial principles, of financial capital and other resources of Corporation enterprises and other interested partners to finance scientific-technical, investment, and other programs;
- methodological guidance of bookkeeping and accounting in Corporation organizations and receipt from enterprises of the information needed to carry out the functions charged to the Governing Board's apparatus;
- defense of requests for capital investments financed through the state budget and monitoring of their effective use;
- formulation, taking into account the enterprises' proposals and with the consent of republic and local organs of government, of plans for developing and siting production capacities;
- organization of the system for training, retraining, and raising the qualifications of cadres and formation together with labor collectives of a highly skilled cadre reserve of enterprise managers and specialists and for the Corporation Governing Board's working apparatus;
- methodological guidance of work to protect the environment and ensure rational nature use;
- identification of the world market's need for the Corporation's output, rendering of assistance to enterprises in organizing construction of installations abroad and economic and scientific-technical cooperation with foreign firms, and handling of export-import transactions;
- organization of work to sell abroad and buy licenses and put the licenses bought to use in production;
- interaction and defense of the interests of the Corporation and its enterprises in organs of state and sectorial management and in international formations;
- organization of work to set up data banks and provide enterprises with information on the development of legislation in the field of investment activity, on normative enactments, and on potential subjects of cooperation in the country and abroad and on other issues of economic life;
- development of proposals for programs to privatize transport construction enterprises and participation in work of commissions to privatize enterprises;
- participation in creating holding companies on the basis of Corporation enterprises;
- organization of work to shape an effective production structure of the Corporation, to create, reorganize, and liquidate state enterprises, to develop specialization and collaboration of production, and to create joint ventures and service, information, and other centers and organizations;
- organization of competitive placement of state orders for Corporation enterprises to design and build transport installations and organization of contract negotiations under the customers' instructions and participation in them;
- determination of prospects for development on the basis of programs and interrepublic and republic orders;
- conclusion of agreements with consumers (or purchasers) of output, jobs, or services, including with state organs and suppliers of material-technical resources, as well as contracts and other agreements, including international ones;
- monitoring of the execution of contracts to fulfill a state order and the use of centrally allocated resources;
- organization of the development of construction norms and other normative documents on transport construction, including labor safety and safety procedures during construction of transport installations;
- organization of work to prevent accidents on transport and to clean up their consequences, including restoring routes of travel and engineering installations which support the work of railway, air, sea, river, and motor transport;
- organization of work to use centralized reserve sources and in the established manner create the material-technical resources needed to carry on work related to cleaning up the consequences of accidents on transport;
- organization of work related to performing mobilization tasks, providing technical coverage, and restoring railroads, seaports, large bridges, and tunnels;
- management of production-management activity of railroad troops and the Transzhstroy PSO.

(Functions Delegated by State Organs)

- participation in the work of councils of state enterprises whose property is classified as federal property of the RSFSR as a representative of the owner;

2.2 Decisions on issues of distributing state orders and approving sectorial programs to raise the technical level of jobs and structures, plans to distribute centrally allocated resources, plans for developing and siting production capacities, plans for economic and scientific-technical cooperation with foreign countries and for business trips abroad for the Corporation apparatus

multi-currency and deals made using the Corporation's nationalized hard currency are made only at sessions of the Corporation Board.

4. Organization of the Governing Board's Work

3.1. The Corporation Governing Board makes decisions at its sessions assembled by the president when needed, but at least once every 2 months.

3.2. The Governing Board manages the work under the plan adopted at the first session. Any question of the Corporation's activity introduced by the president or by the other members of the Corporation Governing Board must be included on the agenda of the Governing Board session.

3.3. The president of the Corporation presides at the Governing Board session; in his absence the first vice president presides, and in the latter's absence—one of the two presidents authorized by the Corporation president.

3.4. Decisions are made by open vote and a simple majority vote. Each member of the Governing Board has one vote during the balloting. If there is a tie, the governing officer's vote is the deciding one.

3.5. Members of the next session of the Governing Board are elected from members of the Governing Board no later than 10 days before the session.

3.6. Opinions of absent members of the Governing Board formulated in written form and signed by them may be taken into account during the balloting.

3.7. The Governing Board's decisions are considered valid if at least two-thirds of the elected members of the Governing Board take part in the session.

3.8. Two quorums of the Corporation ensures that decisions are adopted at the sessions of the Corporation Governing Board. The records of Governing Board sessions are delivered to all participants in the Corporation.

3.9. The Governing Board's activities are financed using the capital of its budget ratified by the Corporation Board.

3.10. (Source: "Transportnoye stroitelstvo", 1992)

Aeroflot's Efforts To Improve Safety

Soviet Press Agency: *NI ZAVISIMAYA GAZETA*
in Russian, 25 Mar. 92, p. 6.

[Article by Nikolay Ulyanov under the rubric "Expert Analysis: 'Incidents in the Air Are Still Inevitable—Solutions Are Concerned About Increasing Flight Safety'"]

[Text: The transport of passengers on international air routes is one of the most important ways of getting SKV [hard convertible currency] into the state budget of Russia. Passenger traffic on international routes has increased by 50 percent compared to 1985. Aeroflot has

flight agreements with 108 nations around the world. Despite the fact that international flights have traditionally been made by the 24 territorial administrations of Aeroflot, 90 percent of the flights had fallen to the share of the Central Administration for International Air Connections (TsUMVS) as recently as 1991, before the collapse of the USSR. The TsUMVS of Aeroflot and the International Commercial Administration of Aeroflot recently formed a new structure—the "Aeroflot—Soviet Airlines" commercial-production association (PKO).

Vladimir Potapov, the executive director of the PKO, feels that the three pillars on which civil aviation rests are the safety of flights, their regularity and the quality of passenger service. Vladimir Seleznev, the chief of inspections for the TsUMVS, told an NGI correspondent about the state of the first pillar—flight safety.

Safety on both internal and international flights depends on many factors—the navigational equipment, the quality of the aircraft engines, the training of the flight personnel and the operations of ground services, among others.

The principal factor in safety is how modern is the design of the aircraft being used today on international routes. The Russian aircraft inventory today consists of Il-62, Il-86, Tu-134 and Tu-154 aircraft, whose operation began in the 1960s. Instances of engine failure have become more frequent on older models in recent years. Our industry has unfortunately started to have a careless attitude toward repairing them. During our discussion it was reported to Vladimir Seleznev, as it were confirming this idea, that the number four engine had failed on an Il-86 that had taken off from Sheremetyevo-2 on the morning of March 20 for Luxembourg. The pilot, after conferring with the Russian ground services, had decided to return to Sheremetyevo. After a break caused by the emergency report, Vladimir Seleznev continued the discussion.

"Such incidents do not happen very often, but using obsolete hardware they are unfortunately inevitable," he said. "Several directions for increasing flight safety are planned after the creation of the 'Aeroflot—Soviet Airlines' PKO."

The use of new hardware, first of all. Several imported A-310 Airbuses have been procured from well-known Western companies (General Electric and Lufthansa among others, for example). The first flight of an Il-96, which is currently undergoing operational testing, will possibly be made this year. The unique Tu-204 airliner, unique in many parameters, is on the way.

Another direction is the retraining of flight personnel. A group of Russian pilots has undergone training to fly the A-310 aircraft at a simulation center in Germany. They will serve the airbuses of the International Russian Airlines subsidiary company. Many pilots on international air routes have also mastered the new domestic An-124 Ruslan aircraft. Large changes are occurring among the flight personnel overall—young and energetic

pilots who take the sharp changes easily are replacing the older-generation pilots (born in 1935-36).

Flight safety also depends directly on providing normal living and working conditions for the fliers. The constant separation from the family and shifts in time zones, among other things, require certain compensations. Pay for flight personnel will be increased substantially as of April 1 of this year, by order of the executive director of the PKO. The question of hourly pay for the labor of pilots in SKV has been decided in principle.

Agrarian Sector's Crisis, Solutions Examined

924A0897A Moscow TRUD in Russian 2 Apr 92:pp 1-2

[Article by G. Lisichkin, doctor of economic sciences: "A View of the Situation: The Agrarian Blind Alley—Is there a Way Out?"]

[Text] Moscow—The disastrous situation in agriculture predetermines the crisis status of our economy. Until such time as there is a reanimation of the village, all efforts to overcome the collapse of the economy are doomed to failure.

Previously, a solution was sought by way of resolving purely technical problems: owing to the cultivation of one or another crop (corn, for example), and owing to the allocation of additional material funds... Now, the market and private property in land are being relied on to change the state of affairs for the better. Alas, this is an error, just like all of the preceding solutions.

An exaggerated idea of the role of the factor of legal ownership of the means of production, including land, was inherited by us from the Bolsheviks. It was they and those around them who took into their heads the conviction that collective or state property works more efficiently than private property. Now we are assuring everyone of the opposite. But even private property, on which we are setting our hopes, in itself will not automatically guarantee high efficiency. Not very long ago, people were simply dying from hunger in India on their own plot of land. During the "green revolution," a private land allotment, remaining private, began to work several times more productively. We are again making the mistake of assuming that the transfer of land to private ownership will immediately give us a mass of foodstuffs. It is not the legal form of property that is primary, but the social organization of production. This is what has to be remembered.

But what kinds of measures could help our agriculture get out of the blind alley? In my opinion, agriculture as a branch of production should now occupy that niche that the military-industrial complex occupied in all of the years of Soviet power. That is, the first, main, and largest "chunk" of the social pie should be cut for the village. And the resources should not be released to the agro-industrial chain where a large part of them are simply stolen, but rather should be directed through the banks right into the hands of the producer.

What do I have in mind when I speak of the social organization of production? Even such a concept as the technology of rural production does not exist now in our country. Those seeds are being sown that are available, the land is plowed and harrowed with whatever God sent, and the cattle are given feed that it was possible to prepare or get. A high-yielding sort is not correlated with the productivity of equipment, and feed is not balanced. All of the factors of the production of the end product, at best, are adjusted "by eye," and, most frequently, they are in opposition to each other. First, it is necessary to develop the technology of production of individual crops—to repeat the experiments of civilized countries that carried out the "green revolution" after the war, which made it possible to increase the productivity of agriculture by several times.

Further. Another basic concept—"enterprise"—is also absent in agriculture. In a real enterprise, all of the production cycles are enclosed in a single chain: Equipment implies the presence of garages and shops; the end product is correlated with capabilities to store, reprocess, and sell. From this standpoint, almost all of our kolkhozes and sovkhoses represent totally "unfinished construction." One is different from the other, like a house that does not have a roof differs from one where the windows are not installed and the doors are not hung. Moreover, all of this unfinished construction was created in a planned procedure, inasmuch as construction of one or another production center, and not an enterprise, was being financed. It is simply impossible to work or live normally under such conditions. Therefore, it should be no surprise that we do not get the full amount of crops and increments, and 30-50 percent of the produced product perishes. It is necessary to conduct an immediate inventory of rural "unfinished construction," after determining the percentage of incompleteness of each of them. With the help of banks, we must concentrate material and financial resources in those places that could be transformed most quickly into enterprises that are able to give a maximum increase in production with a minimum of additional expenditures.

The next step, in my opinion, should be the association of interconnected and interdependent enterprises in the production of the end product. Cattle breeding could enter into the association, which would include a fodder combine plant and those economic units that produce components for it, and also oil refineries that supply fuel to all of them. All calculations in such a technological chain can be conducted from the level of profitability of meat and milk. This would ensure the stability of production ties, and it would block the efforts of individual producers to play on the chaos in prices. The high effectiveness of this kind of interbranch relationship has already been verified in practice in the association Siberia-Germes-Don, where fuel and machines are supplied in anticipation of future crops, with payment after the harvest.

The priority of the requirements of agriculture could be ensured with the help of special "grain" money, which

would function as a parallel hard currency having guaranteed commodity backing. Those dollars that are given generously to Western farmers (we buy grain not only on credits) must be readdressed to our peasant in exchange (in world prices) for that agricultural product that he offers for the "grain" ruble. But for this full-weight ruble, the peasant buys in his own unique "beryozka" [hard currency store] oil from the oil workers, equipment from the machine builders, and fertilizer from the chemical workers. That which our market cannot provide, the state is supposed to supply from abroad: It is better to import machines that will produce grain, than the grain itself. Everyone understands this who is not getting rich on the import of foodstuffs. "Grain" money will be our first convertible money.

Two-thirds of commodity production is now produced by one-third of society's economic units. The rest of them simply toss to the winds those immense resources that the state releases to them, being guided by social security rather than production considerations. The solution to getting out of the blind alley presumes a departure from the principle of orientation on the weak economic units and on support, first and foremost, of the strong and rich economic units (while they still have not become poor). The strong and highly intensive economic units will be more likely to buy equipment and fertilizer and ensure their efficient use. This should not be feared, because they will also more eagerly agree to a state order, providing products to government resources.

But the weak economic units should quickly be "left to fend for themselves." Their products will go to the local markets, through contract channels (for regular rubles), ensuring the influx of their own resources for implementing programs to better the villages. The formation of a class of farmers and the process of their association in them, apparently, will proceed more quickly.

But both the strong and the weak economic units should finally be the owners of the product that they produce. It is this that they have been and continue to be denied to the present time, and discussions are turned into the demagogic channel of promises to make it possible to work on "their own" land, without specifying who will get the fruit of this labor. Because to this very day, this fruit is received not by those who grew it. The peasant is being robbed through taxes, prices, and inflation. Understanding this, the villagers do not want to work for "uncle." Therefore, no kind of a "green revolution" will help our village, as long as this fundamental question is not resolved.

Now, the well-known slogan "Enrich yourselves!" is becoming exceptionally urgent for our villages. Only a rich peasant is able to think about his production for tomorrow, inasmuch as he has something to lose

Kolkhoz's Future Status Discussed

92440795B Moscow MOSKOVSKIYE NOVOSTI
in Russian No 10, 8 Mar 92 p 4

[Article by Aleksandr Kakotkin, special correspondent: "It Is Time To Divide Up the 'Rossiya': How They are Dividing the Kolkhoz and What the Government, Oblast and Region Think About It"]

[Text]

Freedom Arrives Naked

An all-kolkhoz meeting was held in the decrepit Palace of Culture of the "Rossiya" Kolkhoz in Lipetsk Oblast. The first three families desiring to take up farming were leaving the farm.

"Well, how do you like that?" thundered the hall, "They are given a tractor, a truck and a combine for three families. Yes and we have one tractor for 15 families and a vehicle for 20!" The meeting, consisting of a united group of kolkhoz administrators, voted to replace the property share for those departing with a monetary one. The bookkeeping workers, with poorly concealed gloating, notified those in attendance that, according to their calculations, the newly created farmers had earned a share amounting to 2,500 "wooden units" per individual, for their many years of work at the kolkhoz.

In the evening, the Safonov, Popov and Peshkov families gathered together in the latter's home to "assess their wounds." Here they discussed with a correspondent the outcome of their three month odyssey. The heads of the families at the "Rossiya" decided to take 200 hectares for the three families. According to their calculations, they would need two tractors, two motor vehicles and a combine. The kolkhoz administration objected: the amount of equipment clearly exceeded the property share amount. The farmers were displeased, stated that they could not cope otherwise and they proposed paying for the excess equipment. No agreement was reached and the process, characterized by scandalous details, was brought to the attention of the general meeting. Here, as is already known, the equipment was not made available to the "upstarts" and "greedy ones," even though a portion of it had been written off and another portion lacked operators. And indeed, if the tractors and combines are divided up not according to farmyards (for three of 450), but rather according to hectares (for 200 of 4,900), then it turns out exactly right. Moreover, the fact that more than one half of the farmsteads are the plots of pensioners was not taken into account.

Meanwhile, the monetary share is not a simple thing. There are no laws or direct instructions in this regard, only extremely approximate recommendations prepared by the Russian Minselkhoz [Ministry of Agriculture]. According to these instructions, such a share can be 500 rubles [R] or 50,000. In this particular instance, the calculation was carried out in the following manner: from the residual value of the kolkhoz's fixed and

working capital (R8 million), the value of the objects of general use (roads, bridges and others) and social and cultural services (kindergartens, schools and clubs) was deducted. The total amount was immediately cut in half. This in turn was reduced by the kolkhoz's debt to the state (R3 million), despite the fact that this obligation was written off last year. The remaining million was divided up into monetary shares in accordance with the labor contribution of the kolkhoz members, with the calculation based upon their wages.

Unique arithmetic brings forth puzzling questions. Why, for example, was the calculation carried out in the old prices—we must live according to the new ones. Why were all of the objects of social and cultural services related to the areas of general use? What was the basis for deducting an obligation that had been written off from the share fund? The response to my puzzling questions, by the author of the above-mentioned recommendation and worker at the Russian Minskhoz, Vladimir Smolentsev, was somewhat paradoxical in nature. "Yes, even though it might be a brilliant instruction or recommendation," he stated quite candidly, "it nevertheless is carried to an absurdity in the various areas."

While in Moscow, they are hopelessly shrugging their shoulders, in the provinces they are giving the farmers almost nothing as they release them. I examined the calculation results with those who requested release both in the Lipetsk and Voronezh oblast agricultural administrations. Shares were not given to more than 10,000. True, the chief of the Lipetsk Oblast Agricultural Administration informed me that to deduct a debt that was written off from the share fund is clearly wrong. However, on the very next day the chairman of "Rossiya," Nikolay Rogozhin, stated that he had just received from the oblast administration the instruction telling him how to handle this same debt, as it related to the farmers. Such was the state of affairs.

In the First Person

Viktor Khlystun, the minister of agriculture for the Russian Federation, during a discussion with a MOSKOVSKIYE NOVOSTI correspondent, stated that the "particular" recommendations were certainly not ideal. But it was his opinion that this was the least worry at the time. Only objects of general use and social cultural services are excluded from the overall share fund. Debts that are written off remain in the fund, which must be taken into account in the new prices. All disputes regarding shares are resolved by the rayon and oblast commissions for farm reorganization. In extreme cases, solutions can be sought through the courts.

From Kolkhoz To Kolkhoz

The "Rossiya" is a typical farm. Three villages: Bolshaya Polyana, Malinovaya Polyana and Krasnaya Polyana, with an overall population of 1,056. There are 450 farms, or plots as they refer to them here, 290 workers and 415 pensioners. On average, the kolkhoz annually

produces 7,000 tonnes of wheat, 1,800—milk and 260—meat. The debts of the "Rossiya" fluctuated from one to 10 million.

Recently the farm was disturbed regarding discussions of the impending reorganization. The majority were inclined to think that the kolkhoz must be converted into an association of free farms and cooperatives. True, the notions in this regard were vague and for the most part could be summed up by phrases of the type: "Each individual will now work for himself and be given appropriate work."

The vague nature of the wording does not affect the desire to remain at the kolkhoz, where the private plots are rather well developed. The chief of the local administration, Galina Panova, has reported that 178 private cows provide feed for their owners and still produce 30 percent of the kolkhoz's overall milk production. Moreover, the kolkhoz herd numbers 750 head. And the private plots produce 70 percent of the kolkhoz's overall volume of meat. I glanced in on one of the local "kulaks"—Nikolay Ivanov, a school electrician. To the question as to why he and others like him were not hurrying to obtain free bread, he replied with the directness of a Roman: "All steal in this manner. At the kolkhoz there is a feeding trough for a private plot and equipment ready at hand. There is no need for pilfering."

In the morning, following the farmer battles, there was a discussion in the kolkhoz administration. The chairman, periodically pouring a glass of water for himself, complained at length regarding the excessive prices, the orders from intermediaries and the carelessness of kolkhoz members. There was no discussion of an association. The chairman was unable to explain how the livestock husbandry complexes would function, if it is several times more profitable to engage in field crop husbandry work, given today's prices. Whose money would support an association's administration and the administration of a village responsible for maintaining the objects of social and cultural services. True, I did receive one specific reply.

"If they begin to command us once again," stated the chairman, "then there can be no discussion regarding a free association. It will be converted into the same kolkhoz."

There was some basis for these fears. At least the rayon and oblast agricultural administrative structures in Lipetsk Oblast remained in place. Moreover, a vertical ladder of administrative heads was superimposed on them. The leader of the oblast agricultural administration is the first deputy oblast chief. The same holds true in Voronezh Oblast.

Just as in the past, there are various types of procurement offices: "Agroservis" (referred to among the people as "Agrostervis," "Agrokhimiya" (known throughout the world as Khim-Dym), and others which sponge upon the kolkhozes and which are living and thriving. Nobody has taken away the funds, money and authority available

to these structures. Thus the newly-made associations will very soon reveal that they are being taxed on all sides by monopolistic middle-men and administrative offices which also wish to live. And they have every opportunity available for dictating their conditions to the producers. The administration must forbid the exporting of agricultural products beyond the oblast's borders.

Kolkhozes and Sovkhozes Which Plan To Reorganize:

Into associations	40%
Into joint-stock companies	28%
Into cooperatives with share participation	21%
Decided to leave their former structure	8%

Above information gathered from farms in 14 Russian oblasts.

In the First Person

In the opinion of Viktor Khlystun, minister of agriculture for Russia, the most successful variant for an association was realized at the former "Stepnoy" Sovkhoz in Rostov Oblast. Here the farm was divided up into specialized cooperatives and small enterprises having their own accounts. Bookkeeping activities were carried out by an accounting group which receives .5 percent of the profit from the association's members for services rendered. A small enterprise for providing social and domestic services for the population was formed attached to the village soviet. Plans call for the creation of its own bank. Viktor Nikolayevich believes that the problem of monopolistic middle-men can be solved by these enterprises issuing stock and in a manner such that 60 percent of the shares are purchased by the producers. He proposed this to the government, but he encountered resistance in the republic's Committee for State Property.

Where Is A Peasant To Go?

As you can see, the minister of agriculture was not successful in overcoming the anti-monopolistic ideas. The same can be said regarding the chairman of "Rossiya" and those like him. And there is still the president's decree entitled "Formation of the Food Funds for 1992."

He plunged the agrarian specialists into a state of depression. According to him, the collective consumers (kolkhozes, sovkhozes and associations) are under an obligation this year to turn over 25 percent of their output to the state and in the case of meat, milk and wheat—45 percent. Plans call for heavy fines to be imposed upon those who refuse to do so. And in order to ensure that the farmers do not forget who is the boss of their plot, they will be held responsible for 25 percent of the state order.

But this is still not the end. The chief of the Lipetsk oblselkhoz [oblast agricultural administration], Anatoliy Azarenkov, informed me that with this type of distribution for the remaining products, they will have to draw

from the oblast fund so as to be able to feed their own citizens. Thus, for all practical purposes the state order is becoming 100 percent. The "free prices" for agricultural equipment has just arrived in time, the tax on additional value has struck home and the interest rate is oppressive.

I held a discussion with dozens of people who are associated with agriculture. They were all of the same opinion: the government's present policy is dealing a final blow to the kolkhozes and sovkhozes and it is destroying farming.

True, recently a governmental statute called for assistance to be furnished to the farm holdings. But even within Minselkhoz [Ministry of Agriculture], there are serious doubts as to whether or not even half of this plan will be carried out successfully. Indeed, there has been extensive publicity given to the fact that assistance in the amount of 6.5 billion will be provided to the farmers—this is the cost of only 6,000 "Don" combines. And there presently are 60,000 farmers, with this figure expected to increase threefold by the end of the year.

In the First Person

Viktor Khlystun does not share any pessimistic forecasts for the future of agriculture. However, he is not pleased by the price squeeze, by the government's credit policies, or by the freeze placed upon the social programs in the rural areas.

The prices for agricultural products have been raised by a factor of six and those for industrial products—by a factor of 18. Given such proportions, the agro-industrial complex will sustain a loss this year on the order of 180 billion rubles. The minister is of the opinion that the interest rate must not exceed 10 percent, compared to today's 25-30 percent. And this year the state has allocated 4.6 billion rubles for the social needs of the rural areas (this same amount of money would be sufficient for building 7,000 single apartment homes. And nothing more).

The minister believes that the total amount of direct assistance for the farmers must be indexed, after which it will increase to 30 billion. The tax on additional value for the principal types of agricultural products must be removed. The state order must not exceed 45 percent and no oblast administrations are authorized to increase it.

Viktor Nikolayevich emphasized that he does not object to the government's strategic policy, however he will continue to campaign for corrections to the above-mentioned imbalances.

P.S. When this material was being prepared for publication, we learned from the "Rossiya" that, following intervention by the head of the rayon administration Aleksandr Yeletskiy, the required equipment was made available to the farmers. The land question will be resolved in the near future. Will everyone experience such good fortune with the head of administration?

Moscow City Government's Financial Crisis Viewed

924C11144 Moscow IZVESTIYA in Russian 2 Apr 92
p 2

[Article by Viktor Belikov of IZVESTIYA "Moscow Does Not Have Any Money, Like Most of Us"]

[Text] Every year Moscow adds some 165-180 billion rubles [R] in tax revenue to the country's budget, but now the city finds itself in a most serious financial crisis. In order to survive the city needs R20 billion.

On 31 March, the Moscow Government discussed the city budget situation and many times during the discussion it was described as catastrophic. Many reasons justify this and the first of them is the continuing absence of any budget at all. It is only in mid-April that a Moscow City Soviet session is supposed to discuss what is known as the "budget message" proposal by the top executive. In other words, it means an outline of the main financial document for the city of 9 million for this year.

In his statement, Yu. Korostelev, finance department head and Moscow Government minister reminded everybody that it was lack of clarity about the process of price deregulation, started in early January, that prevented the city officials from designing the budget at the end of last year. At present, all preliminary proposals may be canceled again by the coming liberalization of energy prices. As everybody knows, Moscow is the largest consumer of energy in Russia.

The current federation structures, oil and gas extracting and refining concerns, have already raised their prices gradually, contrary to B. Yeltsin's decision to freeze those prices until after the spring sowing. The price of natural gas, for instance, will increase almost eightfold after 1 April. This will automatically ensue a multiple increase in the cost of 1 kilowatt/hour of electric power used in residential and municipal buildings because the Moscow TETS [heat and electric power stations] switched to "the cheapest natural fuel" long time ago.

Moscow Government Prime Minister Yu. Luzhkov used the word "provocation" to describe another recent act by the monopolistic owners of power resources, they raised eight- and tenfold the prices for gasoline and diesel fuel of any state-owned means of transportation in all of Moscow Oblast. Gas stations in Moscow were practically buried under all the heavy trucks that came to Moscow where the price of these types of fuel remained unchanged. Speaking of automobiles or, rather, of road taxes, R8 billion of them are paid every year by the Moscow trucking depots, garages, and car owners. It was mentioned at the session that this entire sum goes into the Russian budget and Moscow does not get a kopek out of it for the repair and reconstruction of its streets and thoroughfares.

"The government and the mayor's office," emphasized Yu. Luzhkov, "cannot allow any curtailing of the most

important citywide programs, such as residential construction of 1.5 million square meters for those people who have been waiting for some living quarters and for residential and construction cooperatives, completion of all schools, dispensaries, hospitals, kindergartens, nursery schools, and other social service facilities that are supposed to open this year. We are not going to reduce our assistance to those people who are the least protected under the market conditions, either."

These very social programs are the ones that require the additional R20 billion from the Russian budget this year. Moscow is not asking for any money it has not earned, it just wants to get back the sum that it spends, as is expected from a capital city, to ensure proper functioning of the Russian Federation power structures and of the international missions located here. Moscow at present accommodates 40 trade exchanges, 250 commercial banks, various insurance companies, trade firms, and other institutions helping to build a market infrastructure. The city receives no share of the considerable sums given by it to the Russian budget. Yu. Luzhkov considers this unfair.

The Moscow Government has outlined certain measures in its statement which will allow it to cut energy consumption by the city services by 12 to 13 percent in the nearest future. It is intended to replenish the budget by introducing local taxes on all goods produced in Moscow and exported to other regions. A certain order should be brought into the collection of rent for nonresidential premises, as well as into the collection of residential rents and utility payments. This will mean an additional R15 billion for the budget of Moscow.

Dangers of Purchasing Perishables in Moscow Revealed

924C10084 Moscow IZVESTIYA in Russian 21 Mar 92
Morning Edition p 8

[Interview with Nikolay Filatov, deputy to the Chief State Sanitary Inspector, by Igor Andreyev, date and place not given, entitled: "A Sanitary Inspector Warns: When You Buy on the Street, You Risk Your Life"]

[Text] "In his time Russian President Yeltsin said in a sense that he would lie down on the tracks if the situation of the people doesn't change for the better. If his decree 'On Free Trade' isn't changed, many of our fellow citizens will lie down on the tracks, that is, perish." Such is the personal opinion of the deputy of the Chief State Sanitary Inspector of the city of Moscow, Nikolay Filatov, who is uneasy about free selling by street vendors, especially perishable goods.

There are reasons, alas, for alarm. In the capital 27 people got sick with trichinosis at the beginning of February after tasting pork and lard from the Chere-mushkino Market. In a month and a half of this year 25 people have been victims of botulism, exactly three times as many as all of the past year. In February the incidence of intestinal illnesses including dysentery

jumped 1.3 times. An extraordinarily dangerous situation has developed in Moscow. This is not just an emotional appraisal of the situation, but a quote from a letter of N. Shestopalov, Chief State Sanitary Inspector of the Capital, to Vice Mayor Yu. Luzhkov. The most surprising thing is that there is a whole folder of such alarming warnings, but so far no reaction at all from the functionaries who prepared the presidential decree.

[Andreyev] What, besides food products, evokes the most apprehension in you?

[Filatov] "Toys," says Nikolay Filatov. Even in the department store of the commercial firm Detskiy Mir specialists from the sanitary and epidemiological service discovered more than twenty types of items made by cooperatives from various cities of the country, delivered without the evaluation of territorial sanitary and epidemiological stations. "Uncles" from the Odessa metallurgical cooperative supplied weighted dolls with a little piece of scrap from unknown metals. During monitoring the instrument detected cesium-137 in their content. There are cases of a toy for the smallest children being covered with toxic or strong foul-smelling paint.

And one more thing: there are disturbing reports about the large lots of drinking and industrial ethyl alcohol being sold through the commodity exchanges. Who is buying them, and for what purposes? Yes, one could say that ethanol is not poisonous like methanol. But industrial raw materials, even within All-Union State Standard limits, contain additives. If they are minimal, drink to your heart's content. If they are at the maximum, even though within the limits of the norm—you are not long for heaven. So won't these tonnes of alcohol from the commodity exchange at the flea markets as some sort of strong drink?

Finally, the total lack of sanitation in the places where the street vendors are concentrating is alarming. It's as if ideal conditions have been created on purpose for rodent, shrew, rats, for example. They always have feed and food scraps. And piles of garbage to raise abundance and variety.

[Andreyev] It seems the authorities are not hurrying to restrict such "free trade." But then no one took away from your service the right to monitor the quality of questionable goods.

[Filatov] Yes, we indeed have a legal mechanism in the RSFSR law "On the Sanitary and Epidemiological Well-being of the People," adopted on May 29, 1991. But can it always be relied upon?

They are talking about enterprises in the food trade and production. It is hard for their management to coordinate costs, because of the fixed "points" determined in January in one of the stores in the Northwest District 73 kilograms of boiled pork, received as far back as December 20 of last year, were removed from sale. In all, tonnes and tonnes of meat, lactic acid,

fish products, and confectionery with expired dates of sale have been withdrawn from commerce.

Things in the realm of the so-called "street" trade are far more alarming. Imagine—our employee, most often a woman, approaches a meat dealer, let's say, at the "Ulitsa 1905 Goda" metro station. There is outrageous unsanitariness; underfoot is a swampy mixture of mud with remnants of cardboard packing. The goods are almost lying in this swill. And everything—meat, fowl, sausage, cheese, curds—is helter-skelter. The first reaction of the seller to the demand that he produce documents affirming the quality of the goods is: "What certificates? The decree permits everything!" An argument begins. The disputants are surrounded by other merchants who, naturally, express solidarity with their colleague, and by a multitude of the half-drunk people who always crowd the market. In the best case for the inspector, the seller will take his goods somewhere else. In the worst case, the poor female inspector will be advised not to show up any more, or else. . . . It has happened before. In another cooperative they seemingly by accident slammed the door of the refrigerator being checked by the sanitation inspector. After two hours they let her out with "ohhhs" and apologies. They got a warning. Just try to prove that they froze the inspector deliberately. And in the final analysis we don't have the physical capability to protect trusting buyers from questionable products.

[Andreyev] Where was the sanitary and epidemiological service when they were preparing the decree?

[Filatov] It was just as much news to us as it was to all Muscovites. They didn't ask us, even though the danger of getting sick from rotten or contaminated products was laid in permitting everyone to trade without any restrictions. And they are trading. . . even, according to the data of the veterinary service, in the meat of dogs, cats, and dead animals.

[Andreyev] You spoke about letters from the Moscow Sanitation Inspection and Epidemiological Service to all levels of authority. The cold weather has ended, outside it's spring. . . perishable food will spoil even faster. Your proposals?

[Filatov] To completely ban the sale of especially perishable products—milk, meat, fish, confectionery, home-made canned products in sealed packaging—through "street" trade, by private individuals. In all other types of trade (regardless of the form of ownership) to unfailingly meet the requirement, not rescinded by anyone, to have invoices for products from the manufacturer or preparer and a certificate of quality of the merchandise. As for deadlines to sell food, it's time to develop a mechanism to regulate price according to the "age" of the merchandise.

Summer is not far off, and already the present dangers may turn into a great misfortune for Muscovites, into epidemics. I am sure that life itself will force the presidential decree to be corrected by several bans. . . .

Privatization of Moscow Taxis Viewed

924A0864A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 6

[Article by Nikolay Ulyanov: "Moscow Taxis Are Being Transferred To Private Hands: Drivers in Three Taxi Parks Are Becoming Owners"]

[Text] Interest in Moscow taxis has cooled down in the press just as quickly as it flared up. The taxi privatization process, whose beginning was set for the end of last year, is taking its normal course. Here is what Vitaliy Yershov, chief of the Mosavtolegtrans Administration, said to a NEZAVISIMAYA GAZETA correspondent.

In December of last year, Russia's president issued a ukase on accelerating state property privatization rates. It gave Moscow's government the main authority in adopting decisions on privatization. On 27 January of this year, Yuriy Luzhkov issued an instruction entitled "On Privatizing Moscow's Taxi Fleet." It legally strengthened the privatization mechanism—selling vehicles to taxi drivers during closed auctions for symbolic prices, i.e., the residual balance price. The state purchased a large portion of the vehicles in Moscow's taxi fleet before 1991 at prices ranging from 4,000 to 5,000 rubles. The residual balance price is calculated based on the total kilometers logged by a vehicle. The amortization norm, under which a vehicle is written off for scrap, is 450,000 kilometers. The higher the kilometers logged, the less the residual price. Thus, with 225,000 kilometers logged, it is equal to 2,500 rubles. At the present time, this price for a machine, especially for a Volga, seems really symbolic.

V. Yershov said that the taxi drivers, however, had refused to become owners. In his opinion, the usual stereotype snapped into action—better something bad but something bad that one is accustomed to rather than some unknown new thing.

The majority of the taxi parks (Moscow has 21 of them) declared for the privatization of a single taxi fleet—garages, technical equipment, repair shops, and rolling stock. Moscow's government could not get the taxi drivers to change their minds by any arguments and vice-mayor Yuriy Luzhkov went to meet the labor collectives, having headed a commission for privatizing the 10th and 20th taxi parks. Having received the vice-mayor's "O. K.!" the 10th park began to call itself a joint-stock company and the 20th—an association. Both were of the closed type, that is, only the workers in the park—drivers, mechanics, washermen, etc.—could become members of them.

Despite the first experience, the taxi drivers have no common opinion regarding ways to privatize. The 8th and 15th taxi parks decided to transfer their vehicles to the private hands of the taxi drivers themselves who would become owners after completing a purchase and sales agreement.

The plan for privatization is as follows: A driver submits a request to participate in a closed-type auction and the auction's administration accepts and satisfies the request without any restrictions. Everything else is paper-generation (the purchase and sales agreement, documents from the Registration Board, etc.). The taxi park's attendants establish an open-type joint-stock company based on existing work areas. These companies are required to accept the taxi owners' vehicles for storage and maintenance but now—for an established fee. A driver now pays the dispatcher, washerman, mechanic, and doctor according to a secret law.

Vitaliy Yershov is a leading specialist in the area of light passenger transport and a professional who has traveled a path from ordinary taxi driver to administration chief. Relying on world and his own personal experience, he considers privatization through the sale of vehicles to drivers to be most promising. The driver's attitude toward passengers and the state changes. The purchase and sales agreement envisions one indispensable condition: Before amortization of the purchased taxi is completed, a driver must engage in carrying passengers and have state number plates. The driver owner will acquire a personal card in the tax inspectorate and declare his rate (that is, the price for a kilometer of travel.). A tax is imposed on him depending on the rate. The entire system for servicing passengers is becoming a civilized one and the attitude towards a passenger is changing. What owner would be rude to a customer?

As of now, there are only predictions and references to world experience. The 8th and 15th taxi parks should show how the new system will work in Moscow. In any event, taxi drivers have no other way out except destatization. The Moscow taxi was transformed from a profitable to an unprofitable thing after the introduction of a two-ruble rate. The price of a vehicle is now 350,000 rubles. If one were to use the entire profit received by one taxi park, it would be possible to purchase only 36 new vehicles during a year of operations; however, it would be necessary to give up any possible increase in wages for workers, the purchase of parts, the expansion and improvement of work areas, etc. This year, Mosavtolegtrans has not purchased a single new vehicle. Moreover, it is possible that in the very near future, a liter of 76 gasoline will cost approximately 22 rubles; a kilogram of machine oil now costs 71 rubles already. One taxi normally requires 40 liters of gasoline a day (840 rubles) and 5.5 liters of oil every 6,000 kilometers traveled. This will inevitably lead to an increase in the rate: In April, a kilometer traveled will cost a taxi passenger six rubles. This increase in the rate will not be the last one, Vitaliy Yershov thinks. Will a taxi then carry ordinary passengers?

Prison System Near Bankruptcy

924C1081A Moscow NEZAVISIMAYA GAZETA
in Russian 14 Mar 92 p 6

[Report by Aleksandr Barinov: "Russian Prisons Are on the Verge of Bankruptcy: Introduction of the New 'Prison Law' Will Cost the State 20 Billion Rubles"]

[Text] The clouds of unemployment are gathering over Russia's convicts. By the beginning of the year about 18,000 convicts were "idle." Now the number stands at 30,000; specialists forecast that by the fall it will reach 150,000. This was announced at a Russian MVD [Ministry of Internal Affairs] briefing by Yuriy Kalinin, chief of the Correctional Affairs Main Directorate (GUIN) of the Russian Federation MVD. Even without this factor, the economic situation in the domestic penitentiary system after the reform remains catastrophic. The convicts currently receive 500 rubles [R], even after the lifting of the 50-percent withholding from their earnings; meanwhile, the cost of meals alone is now R700 per person.

Until now, the ITU (correctional labor facilities) were an appendix of industry and one of the most profitable line items on the Soviet budget. The low competitiveness of convict labor started to show as early as last year. Out of the 1,200 factories working in cooperation with the ITU, 450 have now refused to continue the cooperation. In 1991 the state had to provide subsidies—R1.5 billion—to the ITU system for the first time, this year, unless the situation changes, it will require R16-17 billion. An additional complication is that there is now an opportunity to use convict labor in commercial structures, but by law ITU employees cannot work there. MVD specialists are currently working on new methods of economic activities for colonies, and Yuriy Kalinin hopes that in one and a half to two years they will be able to get out of the crisis. There are first successes as well—a Soviet-Finnish joint enterprise recently decided to invest R200 million (\$42 million) in one of the Krasnoyarsk ITU. In the opinion of Valeriy Zlydenko, GUIN deputy chief for economic activities, the main task right now is to preserve financial and economic stability. Without it, it will not be possible, at least for the next few years, to achieve compliance with the agreements and norms of the convicts' upkeep adopted by the United Nations. It will take more than R20 billion just to put in effect the new Criminal-Executive Code (UK) and ensure compliance with it. This is despite the fact that the law was put together with the real situation in mind and does not ensure observance of all international rights of convicts. For instance, ensuring compliance with the UN norm of square footage per convict alone would require many billions and years of construction. The new UK will ensure convicts rights that are optimally acceptable in our circumstances—home leave (except for those kept in special and high-security colonies), lifting restrictions on correspondence and visitation, postponing sentence for pregnant women, and so on.

All in all there are over 1.2 million people under the jurisdiction of Russia's correctional system. Of them, almost 538,000 serve their term in colonies and prisons. According to Yu. Kalinin, the situation there is becoming increasingly difficult. In addition to economic and social problems, it is also related to the steady increase of the share of felons convicted of most dangerous crimes. Almost every fourth convict is serving

term for premeditated murder, robbery, inflicting grave bodily harm, or rape. More than one half are recidivists, and more than 45,000 are classified as especially dangerous recidivists. Very troublesome are the 86 "sworn thieves" currently serving their term, and 3,000 of their closest confederates. Last year, over 4,000 crimes were committed in the ITU (including 169 premeditated murders); there were also 1,900 escapes, and more than 200 attacks on employees, among the latter, five were killed and 62 wounded.

After the recent hostage-taking in the Petersburg "Kresty," similar incidents took place in Smolensk, Kabardino-Balkaria, and Magadan Oblast. A wave of such excesses rolled through the colonies and preliminary detention facilities in October-November of last year, but after the lifting of old restrictions the situation more or less stabilized. Yu. Kalinin said that the situation will probably remain tense, but it is manageable, and the first positive results are already visible.

Burbulis on New Government Newspaper

924C 1097C Moscow PRAVITELSTVENNYY
VESTNIK in Russian No 8, Feb 92 p 1

[Unattributed report: "G. Burbulis: 'Russia's Renaissance Is Possible On the Basis of Two Values: Democracy and Patriotism'"]

[Text] On 20 February the editorial staffs of ROSSIYSKIYE VESTI and PRAVITELSTVENNYY VESTNIK (it is now a single collective) met with G.E. Burbulis, first deputy chairman of the Government of Russia.

It was a dialogue raising more issues than the character and prospects of the new daily government newspaper; at the same time, it was a conversation about the fate of the reform and Russia's road to renewal.

It is very important for me to share with you the conclusion regarding the current point of departure of the Russian citizen, the first deputy chairman of the Government of Russia said. The absolute majority of people, whether they admit it to themselves or not, are currently living in a victorious mood.

Victorious over the strange, frightening, and horrible Soviet former regime. The most interesting for me as a social science professional is the ease with which the absolute majority of the population—regardless of age or profession—have shed the dogmatic curse of communism and socialism. This environment was incredibly difficult both for those who ruled, those who were forced to accommodate to it, and those who stayed silent—all without exception—in these many years of mass political and moral hypocrisy. In the process of freeing themselves, people get a new human perspective. This is the basis on which Boris Nikolayevich Yeltsin leans.

Our task is to make it conscious, to grasp once again the magnitude of the past we are now shedding. And what

kind of incredible horizon for normal human life emerges if we approach the reform without pause.

The second point, and I think this represents a tremendous difficulty, is which idea to rally the people around today. People cannot exist without integral consciousness if it is deprived of an idea, even an illusory and enforced one.

Of course, the only thing we can currently adopt as a philosophical weapon is the idea of Russia's renaissance. The renaissance environment, the epoch of renaissance. Russia's renaissance is possible on the basis of two values: democracy and patriotism. Or, for those who have been raised differently, patriotism and democracy.

Democracy means moving towards natural human values through the utilization of the entire experience of world civilization, without any subservience to Western models of way of life. Patriotism means a most solicitous, one may say, exalted, quivering attitude towards one's own history and originality without any abuse of its value in order to not disregard the democratic achievements of the civilization. Democracy deprived of this footing in our roots, history, nature, and Russian persona will not work. Patriotism that removes everything the twentieth century has lived by and which was often formed in dialectic opposition to communist totalitarianism is also a delusion, and an extremely dangerous one.

We are a country that is extremely rich in talent. Personally, I am convinced that full-fledged reform will be conducted by a new generation of creators of Russia, both politicians and economic managers. All that is now flashing and prancing in the name of democracy, which was fighting the system, is largely incapable of meaningfully conducting these reforms. The task of the newspaper is to search for true, genuine creators—from farmer to tax inspector.

We are asked these days: Where will the reforms culminate? Of course, in the regions, territories, and labor collectives. Where is the difficulty and enchantment of our common cause to be found? In that Russia today is a state that lives in different centuries. If someone thinks of securing, for instance, privatization in a singular manner, without taking regional specifics into account, this will be a great and unforgivable error. Hence, one more most interesting creative challenge for the newspaper—to formulate, if you wish, the historic-cultural map of Russia.

We met today on a quite specific occasion. Two newspapers are merging together; two structures, and each has something to add to the other. We will now need the combination—a newspaper that is turned towards business and a newspaper that is philosophically active, fulfilling the functions of informing, propagandizing, and upbringing.

It would be so good if you could unerringly sense the pulse of the government's work, accept the way we feel,

our state of mind, and convey it to the reader. I would characterize our state of mind this way. It may sound exalted, but it is true: a state of amazing inner freedom. Inner freedom may be acquired through two qualities—through a sort of desperation, indifference to the world, or through heightened responsibility for one's own task, one's place in the work of the collective or team and the inner conviction of being on the right side. A loafer or dodger would not experience such a feeling. The same goes for a desperate pragmatist: he either sees competition all the time, or suffers in the evening if the day's results were too small. We do not have anything like that. There is a highest-order responsibility and at the same time the incredible feeling of unprecedented professional creativity—under conditions, frankly, of a near emergency situation.

State employees directly related to the system of power are an important audience for the newspaper. It is the vertical power structure that unfortunately lives in the functionary-apparatchik regime, which often sees its destiny in either complying or artificially not complying with instructions and directives. If we could only capture this stratum! Call on it to realize its highest involvement in the unique period in the history of Russia. Praise the Russian functionary, in the good sense of the word, the head of the desk. Discover in him the attributes of honor and dignity of Russian government service at a time when perhaps for the first time in the many centuries of our history we have an opportunity to participate in the resolution of this kind of tasks. No democracy, no market is possible without government service professionals.

I propose this principle for the new newspaper. Complete creative freedom within the framework of the general program of reforms. Not on the sidelines, above, or below, but inside the general program. That is, you should be the first to know about our plans, and directly participate in the development of strategic, principal decisions. Through your presentations or ours, you are to work on them, anticipate them—in short, become in a sense the coauthors.

In conclusion I want to underline that we have one goal—to convince citizens of Russia that the reforms that are being undertaken are vitally needed, and that the life of each of us depends on their content and quality. Therefore, it is important to get every citizen of Russia interested in the fact that it is feasible to implement the reforms in practice with his participation.

The main lever, the main instrument is of course changing the system of interests, changing the system of roles played in life, and vital needs. Out of yesterday's dependent on the state that exploited you, the state that presented every handout to you as the greatest blessing, the first thing that needs to be done is to shape an economically free individual. This is the hardest, most difficult, but also most rewarding task.

Essentially we are changing the social order, the way of life, the root system of our economy, which is property relations. Both in scope and in content these are historic, unique tasks. Nobody in history has tackled these tasks in the environment in which we are operating. The communist system would have come up somewhere anyway, attempted by somebody, because it is a tempting—albeit unnatural for the people—idea: to make the majority happy through violence.

Somebody, somewhere, some time had to live through it for the whole of humanity. This lot happened to fall to Russia. But I think that had it not been for Russia, it would have been more difficult to recognize all the consequences of such a world order...

KURANTY Editor Accuses Security Ministry of Phone Tap

924C0805B Moscow KURANTY in Russian 20 Feb 92
p 4

[Article by KURANTY Editor In Chief Anatoliy Pankov: "Lies—Out of Habit?"]

[Text] In my commentary to the publication of the report of V. Ivanenko, director-general of the Federal Security Agency of Russia, on the subject of information leaks from government sources (KURANTY, 29 January 1992), I asked this high-ranking official to explain on what grounds my home telephone, as well as the telephones in the editorial offices, were tapped. Is it that we present a danger to the security of the Russian authorities, whom we defended during the putsch, as well as before and after?

The editors relatively quickly received a reply from the Center for Public Relations of the Russian Federation's Ministry of Security, signed by an unidentified person. The reply categorically states that this Center "is authorized to officially inform me that neither in the past nor currently do the state security organs monitor the telephone numbers indicated."

I state just as categorically and officially: I cannot believe this! Either this is a plain lie on the part of either the Center or those who "informed" the Center.

In issue No. 6 of SHCHIT I MECH newspaper (13 February), at that time still under the editorship of the current director of the Russian Federation Ministry of Security's Public Relations Center, A. Chernenko, a written proposal was made to me and MOSCOW NEWS correspondent Ye. Albats to provide services in checking out our telephones. The selection of experts would be up to us. What naivete! The Ministry of Security (or is there another "interested" organization?) can lift the tap on our telephones at any moment, and independent experts will confirm that the lines are "clean." Then the next day everything will revert to the way it was.

After this publication, both my home number and the telephones in the editorial offices are listened to by "Major Pronins" using the same system.

How can this be determined? Very simple. I am going to reveal a "secret" to Muscovites. Call friends or colleagues from your telephone, and if they hear a melodic tinkling right after they pick up the receiver, your number is tapped.

The explanation that it is the electronics acting up does not hold water. This "electronics" is just too selective.

However... there are other systems that cannot be detected in such a simple way. Do all of us really need to arm ourselves with special equipment to catch our crystal-clean chekists redhanded?...

Psychiatrist Views Post-Putsch Society

924C1050A Moscow SOVETSKAYA ROSSIYA
in Russian 26 Mar 92 p 4

[Interview with Yu. M. Polishchuk, chief of the Clinical Division of the Moscow NII [Scientific-Research Institute] for Psychiatry of Minzdrav [Ministry of Public Health] of the Russian Federation, by N. Aleksandrova: "An Epidemic of Despair"]

[Text] A psychiatrists's diagnosis of post-reconstruction society.

We have been living for a long time on the edge. Terrible senseless things have been going on in society. A mother of five children, despairing of getting housing, douses herself with kerosene and immolates herself. A father in a savage rage kills his son. Recently the editorial office received a letter from a single woman "I am raising three children alone. I have been hungry for a long time now, so that they will not go hungry. Everything is awful, everything is hopeless. No one needs my family. If all four of us die, no one will notice it. Maybe this is blasphemy but I do not want to and cannot live any longer...."

A terrible letter. What is happening to us? People are forgetting themselves, they are losing their human make-up, and some are in utter despair and are refusing to live at all....

We invited Yu. I. Polishchuk, chief of the Clinical Division of the Moscow NII for Psychiatry of the Ministry of Health of the Russian Federation for a conversation.

[Polishchuk] What we are observing in society today is nothing else but an epidemic of mass psychic traumatization. It is no less terrible in its consequences, proceeding according to its own laws, than any other epidemic. The fact is that, with the general breakdown of and disorder in the state, not only are economic and cultural ties disintegrating—the rational bases for life in general are collapsing. From the point of view of the human psyche, this is not an innocuous phenomenon. Remember the war: we starved and worked to exhaustion. But nevertheless we did not despair, we believed in

victory. I had a spiritual charge. Life was filled with meaning. And now? People have stopped understanding where they are being led and for the sake of what they are asked "to be patient," while overcoming incredible difficulties. On television and radio there is informational chaos. The government says one thing today, tomorrow something else, and then does a third thing. Now there is a rationing card, now there is free trade, now market privatization of life, now it is free....Prices are one thing today, double tomorrow, and the next day they are entirely in the realm of fantasy.....

People have become tired of this inconsistency—and chaos. The psychological syndrome of uncertainty—this is how one can define the diseased state of many people. The main thing, they are losing faith that the government of today has a precise program of actions that will lead to the light at the end of the tunnel. As a result, there is still greater despair, malice, or apathy.

Moreover, there is in the human psyche such a concept as self-respect. A man is extremely uncomfortable when it is low, when everything around cries out about his being second-rate: the insane lines for the most necessary things, the disdainful faces of tradesmen in the commercial stores, the impossibility of declaring one's rights. It should be said that the hurricane of stresses and neuroses that is gripping ever-newer victims is destroying not only the psyche of people. It is not for nothing that it is said: all illnesses come from the nerves. Emotions beat on the blood vessels, internal organs, and the endocrine system. The number of infarcts and hypertensive crises grows. All this is exacerbated by the general sad state of medicine. As a result we get a closed circle.

[Aleksandrova] Tell me, the increase of suicide in society—is it the result of psychic illnesses?

[Polishchuk] Here, I fear, the situation is more complex and more terrible. Physicians have come to the conclusion that people who kill themselves are basically healthy people, but for some reason or another they have come to an emotional dead end. According to the statistics, most often of all, suicides turn out to be people who are getting on in years or are quite young. And this is natural. Take a look around. What, for example, should be tried by a person who has dedicated his life to definite ideals and now observes that the values sacred to him are mocked, his past is erased, and the only thing offered now is a pathetic ration from the generosity of condescending Western benefactors.

And youth? What is there to believe in? In cruelty and violence? In pop culture? In all-powerful money? But man lives not by material valuables alone. Take a look at what harm has been inflicted on the culture: libraries are being closed and theaters are becoming impoverished. The mass information media, allegedly having been emancipated at last, are almost completely oriented to propaganda for the Western style of life. Egocentrism, pragmatism, and worldly caution are becoming the standard. The thinking, sensitive person finds himself in a

spiritual vacuum. It is very difficult for young people with vulnerable, incompletely formed psyches. Incidentally, you know how often they explain present-day youth criminals and the motives for their deeds? Why did you kill? "Oh, I was bored. There was nothing to do." A spiritual emptiness, a lack of deep meaning in life pushes crippled little boys and girls—some to the foreign-currency bar, alcoholism and narcomania, some to the dock in court, and some to the terrible lot of suicide.

Yes, of course, a person can adapt to difficult circumstances, but to a definite limit. There are boundaries beyond which the mechanisms of the psychic and spiritual adaptation are destroyed; man is becoming unpredictable. He can blow up inside or splash out all his hopelessness on his surroundings. In a number of these monstrous cases, when the parents crippled and killed their own children, it was precisely a breaking of the levers of self-control that occurred. There was left only the pathological need to externalize the flow of negative emotions. And then the weakest and most defenseless at hand turned out to be their children.

[Aleksandrova] But how is that? The holy of holies is destroyed—the instinct of motherhood and fatherhood. Even beasts do not kill their young. Are we really like people who have returned to the bright ideals of religion?

[Polishchuk] That's just the point, all our spiritually unbalanced life consists today of paradoxes and contradictions. On the one hand people are drawn to churches in order to find moral support. And at the same time they cannot help but see that by no means are those who labor honestly and live in accordance with God's commandments successful. Think of it: do not kill, do not steal, honor your father and mother....Actually the opposite happens. Larceny and speculation are reduced to state policy. People kill people, and older people die from hunger in empty apartments. All the beautiful words about mercy, like butterflies, burn in the all-consuming flame of the market.

A strange thing results. We have branded the old regime a total lie, because it said one thing and did another. But what has changed? Again, demagoguery and empty phrases about freedom and the worth of the person. The range of our real possibilities narrows daily. We eat poorly, we cannot clothe ourselves or buy furniture, we cannot go traveling, and few will be able to afford a simple vacation soon. And the fantastically high prices of traveling abroad—this is the real "iron curtain" of today.

A few years ago people sincerely believed that we were on our way to a new and humane society. We were told about the necessity for turning our face toward man. Well, what about it? They are simply performing a cruel experiment on man himself. The experiment is "hit or miss", it was not thought out completely and there was an enormous degree of risk. People have become the victim of a political numbers game which has no scientific base under it. Neither the social, nor the spiritual, nor the medical aspects of the new economic experiment

were considered. This is immoral and dangerous—to conduct an experiment on one's own people, "to do banking" with the welfare of Russia!

[Aleksandrova] And incidentally, how is one to survive without despairing, without losing one's face? A person who is in absolute darkness should have a guiding thread...

[Polishchuk] There is no universal prescription. Each of us lives in his own microsociocosm, in his own system of psychoemotional coordinates. But one can speak with assurance. Today we are doing much discussing about sovereignties, about the rights of nations to self-determination. And we completely forget that primarily the sovereignty of each person must be protected. You live according to your moral code, you do not change your moral ideals, you do not betray that light that is within you. Whatever may happen, you remain yourself.

And another thing: you are taught to evaluate objectively the circumstances of your life. Do not run from difficulties into a contrived, illusory world. Clever charlatans put together huge capital on the basis of this attribute.

Today we need competent, earnest psychologists and psychotherapists who will work with people individually, not fortunetellers and clairvoyants. In the West, for example, a man's emotional sphere gets enormous attention. A psychologist or psychoanalyst must be present together with a physician specialist during an admission. The physician who treats only the ailing organ but who does not see the person as a whole, with all his inner ailments, is considered simply a "veterinarian." The Western psychotherapist is an experienced friend and helper to the patient who gives him specific advice in vital affairs. He is scarcely a mystic who leads one away into the beyond. We also should strive toward this model. For the time being, alas, public recognition often associates therapeutic help with the model of the notorious "psycho." People are afraid to go to a psychiatric dispensary. Moreover, recently it has become fashionable to curse psychiatrists and to put their professional capability under doubt. Meanwhile, domestic psychiatry has built up colossal theoretical and practical experience, to refuse which is absurd.

I consider that the public will only win if not just political scientists, economists, and technologists but also physicians, sociologists, and psychologists are brought into state activity.

How really to stop the inner and psychic collapse of the person in our state? Actually one should follow the postulate: man is the measure of all things.

REGIONAL AFFAIRS

Merits of Draft Constitutions Compared

924C1103B Moscow LITERATURNAYA GAZETA
in Russian No 14, 1 Apr 92 p 1

[Commentary by Viktor Sheynis: "Who Is the Author?"]

[Text] This will hardly be of interest to deputies of the Russian Congress. It is already clear that their attitude toward the draft constitution is ambivalent. Viktor Sheynis, member of the Editorial Council of the Constitutional Commission of the Supreme Soviet of Russia, comments on this situation.

The question of adoption of the constitution will, evidently, be a key and complex issue at the forthcoming congress.

Until recently it might have seemed that the draft would be blocked mainly as a result of disputes over the federal arrangement inasmuch as we have two diametrically opposite positions. Today everyone agrees, it would seem, to the term "federation" and that the Russian republic should be a federal state. But one extreme position means by federation a unitary state, and the other sees the federation as a confederation or something even more diffuse. This is the position not only of a number of deputies but of certain authorities of the former autonomous republics also. It is this position which seems dangerous to me. While realizing in a constitutional draft the principle of the decentralization of power and according the localities, national republics included, the maximum authority and competence, we can at the same time under no circumstances permit the disintegration of the Russian state.

The process of disintegration within the confines of Russia needs to be halted. This by no means signifies an orientation toward power methods, but certain demands of the former autonomies seem to me excessive. Specifically, I cannot agree that the Russian Federation is a treaty formation. It is not a treaty but a constitutional federation. Russia is a voluntary unity not of constituent parts, republics, oblasts, and so forth, but a voluntary unity of the citizens inhabiting its territory. Yes, we have introduced certain treaty principles. A so-called federal treaty, which will be signed on behalf of the federations [as published] by the chairman of the Russian parliament, and on behalf of the republics, by their leaders, has been initialed and will, possibly, be signed. But this is a treaty about delineation of powers and, as such, represents, generally, a reasonable compromise.

As far, however, as the creation of organs of state power is concerned, two extreme positions are encountered here. On the one hand deputies from the Smena group, say, are attacking us drafters of the constitution and saying that we have made a presidential republic and created a virtual monarchy. The extreme part of the Communists of Russia faction agrees with them.

I was present at the last meeting of the coordinating council of Democrats of Russia. Here also I heard rebukes, but of the directly opposite kind: We are creating a parliamentary republic, not giving the executive authorities sufficient powers and reviving in the guise of parliament Soviet power, which, as is well known, has already proven its ineffectiveness. I find in this criticism

from both sides additional confirmation that the constitutional draft is on a reasonable middle line.

The draft provides for a strong executive, a strong parliamentary authority, and a strong independent court. Whether it will be possible to effect a compromise, it is hard to say. Unfortunately, a party-political system has yet to evolve here. The decisions of the factions are not seen as being binding on the vote of the deputies which are members of these factions. But I would like to hope that the version of passage at the congress which we have proposed—that the draft be passed in its first reading and that the commission be instructed to examine the proposals which are submitted—will prove acceptable to a majority of delegates.

And, the final point. Alternative drafts have with the approach of the congress begun to appear, like mushrooms after rain. Today we have two competing communist drafts. One of them proposes that the constitution record the existence of the USSR and the transfer of all power to the Congress of People's Deputies, some of whom should be elected per the production principle by outfits of enterprises, that an All-Russia Central Executive Committee for leadership when congress is not in session be created and so forth. I do not believe that this draft can be taken seriously. As far as the other communist draft is concerned, we have accepted a whole number of provisions connected with social safeguards and incorporated them in our draft.

With what I emphatically take issue and what is for me absolutely unacceptable is the existence of alternative drafts as such. The congress adopted an absolutely clear decision: Examine the official draft. If people are concerned not from considerations of personal ambition with being the authors of some more significant draft, if they are really interested in an improvement of the constitutional draft, and it could stand certain improvements, they should submit amendments to this draft, which has been under discussion for two years now and which has passed.

I would like in this connection to mention the initiative of St. Petersburg Mayor Sobchak, who has extensively announced one further alternative draft. The speech of a leader of the Interregional Group, who formerly made a significant contribution to the development of the democratic process, evokes consternation, to put it mildly. The ethical aspect of this action is highly dubious.

I would like to ask: Where were the esteemed Anatoliy Aleksandrovich and his experts when the strenuous work on the present draft was under way? Are not personal ambitions outweighing a desire to contribute to the common cause here? No less dubious is the political intention of the authors of the draft. The potential of all lawyers and specialists should be utilized, but in this case, with absolutely no chance of passing at the congress, this draft could, nonetheless, contribute to the

general disorganization and help undermining the important and useful cause for which we are working and stymie the development of the constitutional process in Russia.

As far, however, as the legal merits of the texts submitted by Sobchak are concerned, they evoke no less a number of critical remarks than was rained down by Anatoliy Aleksandrovich and his colleagues on the Constitutional Commission's draft. But this is the subject of a separate discussion.

Increased Regional Opposition Predicted

924C11034 Moscow LITERATURNYI VOZDUKH in Russian No. 14, 1 Apr 92 p. 1

["Forecast" by Leontiy Vizon, sociologist of the Supreme Soviet of Russia. "Tomorrow's Weather"]

[Text] A sharp outburst of political activity came upon the eve and immediately following the Congress of People's Deputies of Russia. It was marked, first, by an attended by a considerable growth of tension in the relations between the Russian executive and legislative. Given elementary compromise between parliament and the government and the president of Russia, the problems of the sixth congress would be resolved. But it is hardly likely that this compromise will be achieved either directly before the congress or after it.

The trends of regional disintegration will become even more apparent in April. It will be felt increasingly. Indeed, that the main opposition to the present government comes not from the Communists, who are supported by only a few percent of the population, and not from the strong staters even—their social bases are more substantial—but they are poorly organized as yet and make no program—but from the autonomists and the regions. Political life will gradually move away from Moscow since it will be difficult counterposing anything to regional interests. They are founded on a correct basis and, on the whole, the regions know what they want. The regions' recognition of their own strength in time only strengthen, whereas the center grows highly irrationally.

The living standard will decline in April. The situation in April will grow incomparably less than in March. It will be perceived very painfully. The people will say: All, many people viewed the February-March period as stabilization thus: "We are over the worst." And now even a small growth of prices will be perceived as great uncertainty as to the future.

Krasnoyarskiy Kray Demands Equal Rights Within Federation

924C08504 Moscow IZVESTIYA in Russian No. 14, 1 Apr Morning Edition p. 2

[Article by Aleksey Tarasov. "Krasnoyarskiy Kray Wants To Become Yenisey Republic"]

[Text] IZVESTIYA has already reported that the small Krasnoyarskiy Kray Soviet of People's Deputies adopted a document on the state and legal status of the kray. A proposal was presented to the Parliament of Russia to recognize the citizens of Krasnoyarsk as equal subjects of the Russian Federation. Citizens of Irkutsk and Tomsk had earlier expressed the very same demands. The Siberian regions have their own interests and probably they will try to realize them. The Krasnoyarsk initiative is, I think, merely a means of pressure. One of its goals is to attract the attention of the Russian center to the krays and oblasts which have no rights, and to discuss the very nature of the Russian Federation.

Today one cannot recall Lomonosov's prophecy, that the power of Russia will be grafted onto Siberia, without a sense of bitterness. The wealth has done them no good, and Siberia has been ruined.

"A colonial policy with respect to Siberia continues to this day," said V. Novikov, chairman of the Kray Soviet. "Before, I was able to explain that for us, certain changes had taken place—that the center had moved from the Kremlin to Krasnoyarsk, to the Preobrazhenskiy Coast. Now everything has returned to its own circles. The center is once again in the Kremlin. I am convinced: the government should decentralize to within sensible limits.

"Telephone calls from the Moscow ministries are not the method of managing the Siberian economy in current practice, but subordination to its diktat as the center of the empire has not yet gone away. Only the forms are changing. For example, the absolute dependence of the nascent market sector on the capital's commercial structure: prices, rates, currency exchange, and the range of goods—all are dictated from there. A dollar in the richest country is worth the very same as in a Moscow bank.

Krasnoyarsk is among the leaders in terms of price increases for the vital necessities. A half-liter bottle of cream goes for 17 rubles plus a few kopeks. Bulk vegetable oil—233 rubles per kilogram. The price for creamery butter has gone down—from 300 to 223 rubles a kilo. Bread of the so-called highest grade is being traded in the republic centers of the kray at six or seven, and occasionally ten rubles a loaf. A locally-produced jersey costs 1,200 rubles. As early as January the kray statistical administration estimated the minimum cost of a [full] shopping basket at 3,315 rubles.

Is there any other territory in the world that is so rich in mineral resources, and at the same time so deprived of its rights?"

According to an RIA [Russian Information Agency] report, on 14 February, at an open session of the Constitutional Court, the leaders of Krasnoyarskiy Kray expressed the position, just like Checheno-Ingushetia and Tatarstan, that the Constitution of Russia does not apply on its territory. However, I heard nothing of the sort from the leaders of the kray. Moreover, in recent conversations with Vice-Governor V. Sergienko,

chairman of the Kray Government, and with V. Novikov, head of the representative authorities of the Kray, I was once again convinced that no one on the territory of the kray plans to abolish the constitution.

Federal organs of power perceive separatist tendencies in the demands of Krasnoyarskiy Kray, Irkutsk Oblast and certain others. True, since the break-up of the Union, it has not been easy to determine the working principles of the Russian Federation. Incidentally, here we are talking about a person's right to self-determination, and to realize oneself in the economic sphere. Novikov related that his colleague V. Ignatenko cited in the land code alone 36 powers which the republics of Russia enjoy, but krays and oblasts do not. Therefore, their representatives have been striving and continue to strive for equality—in the socio-economic sphere, in the administration of property, and in the management of land and natural resources. No doubt this is the way it should be. Is it really normal, that Krasnoyarsk authorities are unable to offer a Krasnoyarsk peasant or wood-cutter as many rights as, for example, the Tuva [ASSR] or Khakass [Autonomous Oblast] authorities can offer to the people in the economy of those republics [sic].

Whether the kray achieves the rights of a subject of the federation or not is probably of much less interest to the ordinary citizens of Krasnoyarsk than another question, namely, whether an economic subject will be free on the territory of the kray. However, the connection between these problems is quite obvious.

Last year the kray produced 3.5 billion rubles' worth of consumer goods, but paid out 11 billion in wages. How can this gap be closed today? Redistributing the financial and material flow among territories by fiat does not work. Should they double or triple consumer goods output? But how is one to survive right now, today? The kray needs its own property, which it could then manage and thus acquire the means to exist. However, the Russian center is in no hurry to decentralize the administration of the socioeconomic sphere in concert with the decentralization of supply. The new local authorities today are just like their predecessors: they travel to Moscow, they sit in the waiting rooms, and they beg for allowances for the territories.

Perhaps that is not so shameful for Ryazan, but for the richest kray to live on handouts is much less suitable. The deputies and the industrialists believe that those who draw out electric power from the kray, develop its mineral resources and cut down its forests should compensate the people of Krasnoyarsk accordingly. And for this purpose, the raw-material center of the country should obviously not be managed only by Moscow functionaries.

For the Buryats, for example, the status of republic permits them to pass a law on forestry. But Krasnoyarsk is not permitted to regulate forestry use on its own territory. Why? Within the framework of a uniform market expanse with uniform principles, the kray should

be granted the ability to independently define its own economic policy. After all, the republics within Russia have these rights. This is after all the practice throughout the world: In the USA, for example, every state has its own procedures and rules within the framework of the common laws.

Actually, is it possible to reform the entire Russian economy according to a single pattern and script? But that is just where things stand right now. Why must there be, for example, one and the same law on the land for Stavropol and Taymyr? Identical reforms are not possible, even within the bounds of Krasnoyarsk itself.

The reluctance of federal organs of power to decentralize the government can be explained primarily by the fear of the collapse of Russia. But Siberians are not going to encroach upon the integrity of the state. Their demands can be reduced to one thing: let the local authorities solve local problems, and let the federal organs occupy themselves with federal matters.

The draft of a federative agreement was recently transformed into the draft agreement, "On the Delimitation of the Subjects of Jurisdiction and Authority Between the Federal Organs of Power of the Russian Federation, and the Organs of power of the Republics, Krays, Oblasts, Autonomous Oblasts, and Autonomous Okrugs in the Russian Federation." The Parliament of Russia proposes that local soviets sign this document. The Presidium of the Krasnoyarskiy Kray Soviet has a decidedly negative attitude toward it: "We are being asked to guarantee the inequality of the territories ourselves. This document nullifies everything positive that was set forth in the section on state construction in the draft of the new Constitution."

V. Kretov, a member of the Kray Soviet Presidium went to Moscow and back. He returned in a state of depression, and held a press-conference: "I told Russian Parliament Deputy Chairman Yarov, 'You are not preserving Russia, but are provoking its disintegration.' Let's say the kray now declares itself the Yenisey Republic, and Parliament considers this illegal. But there is another path, which Moscow, apparently cannot prevent. There are two autonomous okrugs on the territory of the kray—Taymyrskiy and Evenkiyskiy. In principle, they can become republics. Krasnoyarsk reaches an agreement with Evenkia; which declares itself a republic, and establishes a Constitution which indicates that it invites all those who wish, to join with her. And we will join. The Russian Parliament did not consider a variant like that."

However, the leaders of Krasnoyarsk believe that it is not fitting to achieve independence by such means. The idea of a Russian Autonomous Okrug and a Yenisey Republic—that is merely a kind of protest against the semblance of sovereignty, and a demonstration to Parliament of what Russia is coming to.

An extraordinary gathering of the leaders of the krays and oblasts participating in the Siberian Covenant

[soglashenie] met in Novosibirsk on 11 February, and proposed that the Russian Supreme Soviet re-examine its budget policy. In the near future there will be nothing with which to buy bread, milk, salt and certain other foodstuffs in the regions of Siberia; consequently, it will be necessary either to shut down the bakeries and dairy plants, or to set the prices free, which is fraught not only with social upheavals, but also the break-up of the country.

Murmansk Administration Powers Broadened

924C1082A Moscow ROSSIYSKAYA GAZETA
in Russian 27 Mar 92 p 2

[Russian Federation Presidential Ukase No. 290, 21 March 1992: "On Broadening the Rights of the Administration of Murmansk Oblast in the Resolution of Urgent Socioeconomic Problems"]

[Text] For the purpose of resolving the immediate problems of providing the population of Murmansk Oblast with food and nonfood commodities and medicines, conducting measures to improve the ecological environment, and forming a special procedure for investment in the oblast, I decree:

1. To establish that 40 percent of the currency receipts from the export of products of enterprises of Murmansk Oblast, which are subject to sale to the republic currency reserve of the Russian Federation, is sold to the currency fund of the oblast.

To exempt enterprises and organizations of Murmansk Oblast, regardless of the form of property, from mandatory sale to the republic currency reserve of the Russian Federation of currency receipts from border trade conducted in accordance with procedures established by the administration of Murmansk Oblast in coordination with the Ministry of Foreign Economic Relations of the Russian Federation, having authorized the sale of the indicated currency resources to the currency fund of the oblast. To apply these resources to satisfy the priority needs of the population, to restructure the pattern of the economy, and to increase the export potential of the oblast.

2. To authorize the administration of Murmansk Oblast to use up to 10 percent of the volume of commodities (services) being produced by enterprises and organizations of the oblast, regardless of the forms of property, for the formation of a regional fund of commodity resources to implement commodity exchange operations and export, with the allocation of currency resources for guaranteed delivery of food and medicines to the oblast.

3. To exempt enterprises of the fishing industry that are registered on Murmansk Oblast territory from the mandatory sale of currency receipts to the republic currency reserve of the Russian Federation and to the central bank of the Russian Federation, in the process of the export of fish products under conditions of their exchange for fish products and products of their processing, and also in the

conduct of exchange-purchase operations for fuel to support the operation of trade vessels in areas of the world ocean.

4. To include the export of products produced by fishing industry enterprises of Murmansk Oblast, which are carried out to support the state needs of the Russian Federation, in the list of work (services) established by Russian Federation Presidential No. 335, of 30 December 1991, "On the Formation of the Republic Currency Reserve of the RSFSR in 1992" (attachment No. 2), according to which the norm of mandatory sale of a part of the currency receipts is applied to increased receipts over payments in foreign currency that result from the performance of the indicated work (services).

5. To include the territory of Murmansk Oblast in the list of localities referred to in legislation in effect on conditions for the supply and transport of products of production-technical significance and consumer commodities for rayons of the Far North.

6. The administration of Murmansk Oblast, together with the state customs committee of the Russian Federation, and within the scope of a bilateral agreement with the Republic of Finland, will in 1992-1994 ensure the opening and equipping with the necessary facilities of an infrastructure of simplified passage posts across the state border of the Russian Federation (Lotta, Virtaniemi, Kundos, Apatity), taking into account the prospects of the development of international relations of the Russian Federation and Murmansk Oblast.

The state customs committee of the Russian Federation will provide for the personnel manning and activity of the newly opened customs posts.

The Ministry of Foreign Affairs of the Russian Federation will conduct negotiations with contiguous states concerning the opening of the posts at Lotta, Virtaniemi, Kundos, and Apatity to bilateral freight traffic.

7. To establish that, starting on 1 March 1992, the rate of export duties for commodities produced by enterprises registered on the territory of Murmansk Oblast will be applied with a reduction by 50 percent, if during the customs formulation, permission is granted to the administration of the Murmansk Oblast.

The Kovdor ore-dressing combine is exempted from the payment of export duties on apatite concentrate.

8. To authorize associations and production enterprises of Murmansk Oblast to pay export duties on receiving currency receipts no later than 60 days after the date of the customs formulation. In the event of noncompliance with this period, the customs organs exact the sum of the unpaid export duty in an incontestable procedure in accordance with civil legislation.

9. To grant the administration of Murmansk Oblast the right to authorize the opening of affiliates and divisions of foreign legal entities and international associations on

condition of limiting the area of their activity to the territory of Murmansk Oblast.

10. To authorize the administration of Murmansk Oblast and the authorized bank, in the process of conducting calculations for the fund for the development of the economy of Murmansk Oblast, to execute, first of all, the settlement of accounts for the purchase of foodstuffs, consumer goods, and medicines.

11. To authorize the commercial structures of the Rear Services of the Navy that are being established to sell on internal and foreign markets material and technical resources that are being released after conversion in accordance with established procedures, and also, in coordination with the administration of Murmansk Oblast, of metal scrap from vessels that are written off, waste oil products, and other material valuables that are not suitable for use for defense purposes.

12. The Ministry of Finance of the Russian Federation will allocate resources from the republic budget to the administration of the Murmansk Oblast in 1992 for the construction of dwelling units with a total area of 25,300 square meters for paying off indebtedness to servicemen, including the share-holding of the armed services in the construction of housing.

13. The Ministry of Economics of the Russian Federation will allocate annually to the administration of Murmansk Oblast in the years 1992-1995 centralized capital investments financed from the republic budget for the construction of housing for servicemen who are discharged into the reserve or retired.

14. To authorize the administration of Murmansk Oblast:

- to establish a coefficient of recalculation for contract value in foreign currency in the process of formation of free wholesale prices for imported commodities of a social significance;

- to make deductions for the oblast budget from earnings from the sale of ores containing gold, platinum, and silver, extracted and processed in enterprises of Murmansk Oblast, for special purpose use in the social support of the poor sectors of the population. In addition, the size of the deductions should not exceed 10 percent of the calculated price of one gram of precious metals established by the government of the Russian Federation.

15. To authorize the movement of foreign transport on the Nikel-Murmansk motor vehicle roadway.

The state committee of the Russian Federation on defense questions, jointly with the administration of Murmansk Oblast, will determine the necessary procedure for transport traffic on this road.

[Signed] **President of the Russian Federation B. Yeltsin**
Moscow, The Kremlin
21 March 1992
No. 290

POLITICAL AFFAIRS

Presidential Representatives Characterized

92UN10824 Moscow NEZAVISIMAYA GAZETA
in Russian 28 Mar 92 p 3

[Article by Vitaliy Portnikov: "The 'Bosses' Are Coming. Leonid Kravchuk Appoints Local Representative"]

[Text] Some of the reviewers have called the first 100 presidential days of Leonid Kravchuk as "100 days of solitude" referring to the absence for the Ukrainian leader of not only any political organization which would support him, but also a personal team. Seemingly the President himself has thought about this, having organized the State Duma and having partially reorganized the government, and now has set to appointing his own representatives in the oblasts. Even during the election campaign, Kravchuk promised in the event of victory to make the republic "presidential": the chairmen of the councils [soviets] who had been elected even during the period of the complete omnipotence of the Ukrainian CP (among them there were not so many "pro-sovereignty communists" who supported Kravchuk) could not be a serious base for him, not to mention that they owed their position to anyone other than the President. There is a different situation with the representatives who are, according to the special law approved by the Supreme Council, the highest officials in their regions or the "bosses" of the oblasts, although Kiev is stressing the temporary nature of this institution, that is, until the adoption of the new Ukrainian Constitution.

The President has already appointed representatives to 19 oblasts, in the Ukrainian capital, Kiev, and in Sevastopol. A predominant majority of the Kravchuk appointees, regardless of their affiliation with political camps, is moderate, cautious persons, in a word, "centrists," so that the impression is created that Leonid Makarovich would like to see Ukraine a country of two score little Kravchuks who carry out the will of one large Kravchuk. Incidentally, there are vivid individuals among the appointees. For example, the President's representative in Kiev, the Ukrainian People's Deputy Ivan Saliy. At one time this politician—the first secretary of the Podolskiy Party Raykom who had dared at one of the Plenums of the Ukrainian CP Central Committee to challenge Shcherbitskiy "himself" with Shcherbitskiy being defended by Saliy's own raykom—has been called the "Ukrainian Yeltsin." But Saliy has remained the "boss of Podol," a moderate, albeit popular reformer-communist, and his appointment as a representative has been a turning point in his career. Because of the situation in the city soviet, where the seats are evenly distributed between the democrats and the ex-partocrats, in the Ukrainian capital up to now there has been no boss and Saliy is fully capable of trying to become this. As the representative in Sevastopol, Kravchuk has appointed the Chairman of the City Soviet, Col Ivan Yermakov, and who has endeavored to avoid confrontation with the Ukrainian leadership and has support

among the deputy corps. The former chairman of the oblagroprom [oblast agroindustrial administration] Pavel Lazorenko is to become the head of the administration in Dnepropetrovsk Oblast, a post which, by well-known tradition, is considered one of the key ones in Ukraine; another agriculture specialist, Ivan Kapshchyk, is heading the administration of Kiev Oblast. These persons have come from the corridors of old power but they have the reputation of moderate reformers and reasonable managers. The former First Secretary of the Obkom and Chairman of the Oblast Soviet Nikolay Didyk who was appointed the representative in Vinnytsa Oblast is rather "moderate" in comparison with his other colleagues on the party obkom. The representative in Carpathia, a region which is seeking a special status, is Mikhail Krayilo recently elected as the chairman of the oblast soviet. He is a "man of consensus" liked by both the party lobby and the democrats. There is a similar attitude in Chernovtsy toward the former chairman of the oblast soviet, Ivan Gnatyshik. Kravchuk has appointed as his representative in Lvov Oblast Stepan Davimuka who was the former deputy to the Chairman of the Oblast Soviet Vyacheslav Chornovil (who recently gave up his position). Davimuka is the creation of Chornovil, but the democrats are already describing him as "moderate." Incidentally, such a close observance of the principle of orientation to the centrists has also led to protests, as in another Western Ukrainian oblast, Ivano-Frankovskiy, Kravchuk has appointed as his representative the deputy chairman of the oblsposkom, Vasiliy Pavlyk, although a predominant majority of the deputies to the oblast soviet favored their chairman Nikolay Yakovina. So from the very outset problems can arise for the governor.

So the President is forming his team from persons who possess real influence and the ability for compromise, in incidentally avoiding the too odious figures such as the former leader of Dnepropetrovsk, Nikolay Zadoya, or excessively vivid and independent personalities such as Chornovil or Yakovina. Ultimately, precisely the "bosses" in the oblasts will determine whether presidential power will remain merely the window dressing of the transitional period. The 21st Ukase of the Ukrainian President signed at the time of his most acute confrontation with his Russian partner shows convincingly that there can be foreign policy differences between Yeltsin and Kravchuk, while their notions of power and the methods of exercising it are similar.

Presidential Representatives Profiled

Kiev Representatives

92UN11124 Kiev VECHERNYI KYIEV in Russian
23 Mar 92 p 1

[Interviews with Ivan Nikolayevich Saliy, newly appointed Ukrainian presidential representative in Kiev, and Ivan Markovich Kapshchyk, newly appointed Ukrainian presidential representative in Kiev Oblast, by

VECHERNIY KIYEV correspondents; place and date not given: "Interviews in This Issue"]

[Text] Ivan Nikolayevich Saliy is a person who is quite well known both in this city and beyond its limits. His popularity as the Ukrainian Communist Party Podolsk Raykom secretary had arisen as long ago as the Shcherbitskiy period, when—as an unruly communist—he began “stirring up the waters” in the midst of the “apparatchiks.” His name has been linked with the revival of Podolia, as well as the start of entrepreneurship in this rayon. Ivan Saliy was born in 1943 in the village of Irzhavets, which is located in the Chernigov area. He was educated at the food-industry tekhnikum, the Kiev Polytekhnikum, and the VPSH [Higher Party School]. Saliy gained experience in production activities at four sugar mills, the Leninskaya Kuznitsa Plant, and the Kiyevtorgmash PO [Production Association]. In 1990 he became a deputy in the Ukrainian Supreme Soviet. Saliy is married and has two sons.

[Correspondent] Ivan Nikolayevich, not so long ago, when you were criticizing the president, you asked whether the president and his team knew where we were heading. And now that you yourself are on the president's team, I would like to put that same question to you.

[Saliy] I think that I know where we are heading. But—as was the case with the president previously—I have almost no team. For the time being, it consists of myself alone. First and foremost, as I understand it, we need personnel stability; we must avoid that reorganizational itch that we have been experiencing for six years now; we must restore the administrative process in this city. Kiev must feel itself to be the capital; and, therefore, it ought to be accorded a strong administration. No one is going to feed us, nor can we count on charity from anyone. Solely by our own efforts we must build up a highly cultured, well-to-do, European type of city, one which is a center connecting various political forces and different regions. And my task is to unite these efforts.

[Correspondent] How was your appointment received by the Kiev Soviet's various political forces and deputies?

[Saliy] As you know, the Kiev Soviet's deputies utterly refused to give me their support. But there was no shock. On the contrary, I immediately manifested a readiness to cooperate, if it were only for the good of Kievans. The initiative with regard to my appointment came from the Supreme Soviet deputies from Kiev; then certain democratic-type parties agreed with this. We came to an agreement with the president that—after a specific period of time—we would thoroughly discuss the city's problems. And we reached a preliminary, mutual understanding with the deputies that a group permanently operating with deputies at all levels would act in conjunction with the presidential representative.

[Correspondent] Do you already have a program for your own actions at this time?

[Saliy] We are still far from the stage of summing things up and drawing general conclusions. Our specific goal is to build up a cultured city with a worthy life style. I hope that we can meet with the rayon-level authorities within two weeks, and—within a month's time—also reform this city's administrative structures. In the very near future we will approve and ratify a municipal assembly, which will include the rayon chairmen and—I hope—the city's former leaders as well. We will also create a group of scientific associates and consultants.

Ivan Markovich Kapshtik was born into a peasant family in the Poltava area in 1939. He graduated from the agricultural academy. At various times he has headed up different agricultural enterprises, and—until recently—was in charge of the Kiyevskaya Poultry Plant, which is one of the best in Ukraine nowadays. For his unconventional views and his democratism Kapshtik was subjected to persecutions; in 1978 he was expelled from the Communist Party. He applied considerable efforts to achieve a just and fair solution; he was eventually restored to party membership but in 1990 voluntarily left its ranks for good.

Kapshtik is a deputy to the Ukrainian Supreme Soviet. He is married and has two children.

[Correspondent] Ivan Markovich, the president's ukase has radically changed your life. What were your feelings when you learned about this appointment?

[Kapshtik] Frankly speaking, they were ambiguous. At least there was no sense of swell-headedness or conceit. The situation nowadays is very complex; there is a great deal of work to be done. I understand what an enormous responsibility has been placed on my shoulders. Therefore, I regarded my appointment as a difficult necessity.

[Correspondent] To your way of thinking, what are the principal tasks confronting the Kiev area? Which problems need to be worked on at the present time?

[Kapshtik] First and foremost nowadays, we need to provide food for the rural areas and the city. Therefore, we must gather together everything that has been lost and cement it together. Yes, the conditions are new at the present time; the tasks are extraordinarily important. However, we need not begin from “Ground Zero.” We must retain and multiply everything that was the best, and move further forward on this foundation.

[Correspondent] Many disputes are now raging about the form of property ownership in the rural areas. Are you an advocate of the kolkhoz system or the individual—i.e., private—farm system?

[Kapshtik] I have always advocated, now advocate, and will continue to advocate the position that a free man on his own land will accomplish much more and better things than on a compulsory basis. The future lies with a privately owned farm system. However, undue haste is not necessary here. The rural areas must have various

forms of property ownership—private, kolkhoz, and state—and let the most viable form win out in free competition.

[Correspondent] Ivan Markovich, you know this oblast and its problems well. Have you thought about what you will begin doing as the president's representative?

[Kapshtik] At first, we must look around, study the circumstances, and consult some wise persons; there are a considerable number of them in the Kiev area. Undue haste in this matter is not desirable so as not—as the saying goes—to “smash up the firewood.” Nor can we drag our feet, however, in carrying out the reform; we must implement the laws which have been passed. Kiev Oblast is a special case: First of all, it is the capital's oblast; and—in the second place—it has been stricken almost more than any other locality by the Chernobyl disaster. The level of prosperity and well-being in Kiev will depend upon how the toiling people of this oblast do their work—above all—in providing food products.

Ivano-Frankovsk Representative

92UN1112B Kiev GOLOS UKRAINY in Russian
31 Mar 92 p 4

[Interview with Vasiliy Ostapovich Pavlyk, newly appointed Ukrainian presidential representative in Ivano-Frankovsk Oblast, by GOLOS UKRAINY correspondent Svetlana Vasilkovskaya in Ivano-Frankovsk, date not given: “‘Do Not Rip Things to Pieces’: Meet the President's Representative”]

[Text] Vasiliy Pavlyk, first deputy chairman of the Ivano-Frankovsk Ispolkom, has been appointed the Ukrainian presidential representative in Ivano-Frankovsk Oblast.

Born in 1938, Vasiliy Pavlyk is a graduate of the Lvov Forestry Technical Institute and the Kiev Polytechnical Institutes; he is a candidate of economic sciences. Pavlyk's work history began in 1961 at the Prikarpatles Association located in the Ivano-Frankovsk area.

People who know Pavlyk well speak of him as an outstandingly polite, exceptionally honest, and modest human being. He is opposed to even the most minor privileges (he is the only one of this oblast's “leading” officials who walks to work).

The appointment of Vasiliy Pavlyk as the Ukrainian presidential representative in Ivano-Frankovsk Oblast has been assessed by the local press as a shock for the deputies of the oblast-level Soviet. Its chairman, Pan Mikola Yakovina, who was the second nominee to this post, reacted very negatively to the new appointment of his own first deputy.

Vasiliy Ostapovich formulated his own opinion on this score as follows:

“Mikola Yakovina's statement at a session of the oblast Soviet, in which he sharply criticized the Ukrainian president's ukase regarding my appointment, was not

unexpected by me, although I have never encountered the tactics of prohibited devices in the struggle for power, as chosen by Yakovina's team. To have the greatest genuine power at one's disposal in an oblast and not to utilize it for the people's good, but rather to subordinate it to a single goal—that of achieving even more power—is an astounding position to take, is it not? Yakovina and I had equal chances. Kravchuk chose to approve my candidacy. And that is his right.”

[Vasilkovskaya] Vasiliy Ostapovich, what will be your first steps as the presidential representative in this oblast?

[Pavlyk] I suppose the most important thing is—at the moment of thoroughly changing the power structure—to preserve the previous forms of ownership without permitting the oblast to be ripped to pieces. I will do everything in my power to see to it that every person who so desires shall have a plot of land, i.e., to feel himself morally and materially protected against possible unemployment or other social cataclysms. I foresee substantial personnel changes. Under the conditions of an acute budgetary deficit it is an impermissible luxury to maintain incredibly inflated staffs.

[Vasilkovskaya] Will you be personally approving the candidacies for presidential representatives in the rayons of this oblast?

[Pavlyk] No, only Leonid Makarovich can do that. My task is to suggest or propose likely candidacies to the president.

[Vasilkovskaya] To your way of thinking, wherein lie the strength and weakness of a leader, the pledge of his success or the opposite? What qualities should a person who has been invested with power possess?

[Pavlyk] The realization of power engenders a feeling of permissiveness and irresponsibility. However, he is surrounded by people, and virtually nobody can succeed in concealing things from them or deceiving them. And to undermine people's faith in oneself means to deprive them of trust and respect, which is equivalent to a collapse of the cause which one has undertaken—a cause to which people have attached their hopes for something better. And this, in turn, engenders social apathy and decline.

[Vasilkovskaya] To this I might add that—according to the predictions of the astrologers—V. Pavlyk should have a splendid mutual understanding with L. Kravchuk, the president of Ukraine. Both of their zodiacal signs (Capricorn and Virgo) coincide almost ideally in personal and practical business collaboration.

Kiev Soviet Facing Loss of Power

92UN1082B Kiev *VECHERNIY KIYEV* in Russian
19 Mar 92 p 1

[Article by Yekaterina Novosvitnyaya: "What is the Kiev Soviet Waiting For? Power Is Slipping From its Hands"]

[Text] Is the loss of power a tragedy for the soviets or not? In any event, this is the case for the Kiev Soviet. This was the sole subject of discussion at an extraordinary session of the city soviet. "How can we soften the blow against soviet power?" was how the question was posed. Our soviet is hopeful that its proposals will be taken into account by the Supreme Council. This was mentioned at the session on behalf of the invited members of parliament by Yuriy Gnatkevich. He stressed that in the Supreme Council not everyone has assumed an uniform attitude toward the laws which are transforming local power, and opinions are polarizing strongly over this.

But the chairmen of the rayon soviets who were also invited to the session were not terribly concerned over what was happening.

"What do they think of this issue in the rayons?" was the question asked of the Chairman of the Soviet and Executive Committee of Leningradskiy Rayon, D. Bolgarov.

"It seems to me that whoever is the representative of the President in Kiev, this person will be one capable of taking decisions and carrying them out. These decisions should be balanced in order not to evoke a reaction among the deputy corps which, I am certain, will survive, although my colleagues, the deputies of the city soviet, feel otherwise. Of course, it would be very difficult to collect three-quarters of the votes for re-electing the President's representative, if his work was frankly bad. More work must be done on this point of the law. But we scarcely need to fear a dictatorship. The person to whom power will be given will be able to take decisions quickly and will bear personal judicial liability for them. I feel that this is a good thing for all levels of power. Although in our rayon in the soviet there is a differing attitude toward the coming changes. But no one is particularly fearful. There will soon be a session. We shall discuss how to reshape our work and we shall find a place for the soviet, for the chairman and for the commissions in the new system."

But the city soviet certainly does not want anyone but the voters "to find a place" for it under the new conditions, once the soviet has been elected for five years and granted definite powers. The deputies have stated the following on this question:

The Law passed by the Supreme Council on the President's representative and the draft amendments to the Law on Local Self-Administration virtually deprive the local soviets of the functions of power and will lead to

their organizational collapse. Moreover, presidential rule is to be introduced in Kiev and this means that the age-old traditions of municipal self-administration will be completely eliminated. The deputies of the Kiev Soviet are being confronted with the fact that they cannot perform a large portion of their duties to the voters.

The situation for the Kievans is complicated by the fact that in the process of privatization and denationalization they are confronted by the threat of bureaucratic arbitrariness and abuses which the deputy corps will not be able to oppose for the following reasons. The very principle of democracy, as the basic principle of local self-administration, is to be abolished and the very term "People's Deputy" is being eliminated (Article 3g). The soviets as a whole will cease to be the owners and managers of the people's property and the land (Article 4). The soviets are to be deprived of the right to be a legal entity and to employ their basic "weapon," that is, the right to deputy interrogation of all state officials and primarily the President's representative. For this reason, in appealing to the Supreme Council, the Kiev Soviet requests provision for the equilibrium inherent to all democratic states between executive power and the representative bodies of self-administration, to grant them the right to halt the action of the enactments of the presidential representative until these can be reviewed in the courts as well as the right by a two-thirds majority to raise to the President the question of recalling his representative.

In appealing to the Ukrainian people's deputies of all levels and to all citizens, the Kiev City Soviet seeks support also for the following demands on the Supreme Council: to base the state structure of the new Ukraine on the principle of democracy as proclaimed in the Declaration of State Sovereignty, to grant the soviets the right (within the limits of the competence) to supervise the activities of the state administrative bodies, and to leave inviolate the powers of the people's deputy as the representative of his electors in the bodies of power. The institution of city head (mayor) elected by the entire population should be introduced by legislation. The creation of a Constitutional Court should be accelerated.

It is a shame that all this must be requested and demanded, although possibly all the concerns of the deputies for the fate of the voters will be in vain. Certainly they were clearly late in starting the battle for the rights of the soviets and for this reason they lost.

Possible Arms Sales to Iran Considered

92UN1077A Kiev *MOLOD UKRAYINY* in Ukrainian
13 Mar 92 pp 1-2

[Article by O. Strekal under the "View" rubric: "If Ukrainian Arms End Up in the Near East..."]

[Text] Presently this is only a possibility. But it has a chance of becoming reality as early as this summer.

Discussion about trade in arms of the former Soviet Army by countries of the CIS has been going on for a long time with various emphases. The West in particular is troubled by the sale of nuclear arms or their components beyond the boundaries of the Commonwealth and the departure of nuclear specialists to "third countries." Inside the former USSR it has become acceptable to use the "trade" argument in political disputes: Ukraine, for example, needs to seize the Black Sea Fleet, and afterward it will be profitable to sell it in pieces.

But the discussions are abating, the problems of nuclear warheads and military ships are gradually being decided, and the world is returning to a previous, "USSR" reality. The successors of the empire do not in principle reject the large profits from the sale of excess arms.

New concerns will appear when desires "in general" begin to become more specific and the threat arises of a change in the balance of power in this or that region of the planet.

This assumption is confirmed by our own domestic, "Ukrainian" example. In fact, settlements in arms for Iranian petroleum and natural gas.

The subject of the military portion of the infamous supercontract was sounded during the very first visit of the Ukrainian delegation to Teheran. In a confidential conversation with Iranian representatives, Kostyantyn Masyk, first vice prime minister, "began improvising" and proposed that an essentially military barter exchange be examined.

True, none of the high state officials involved with the contract directly confirmed this information received from reliable sources in the Cabinet of Ministers. But nor did they categorically dispute it. And consultations in the Ministry of Conversion, Defense, and Foreign Affairs have demonstrated that the possibility of deliveries of Ukrainian arms to the Near East is very high. One may already speak about specific outlines. Negotiations in the summer of 1992, and sales at the beginning of 1993—if not sooner.

Below we will try to briefly answer the following three decisive questions connected with the subject of arms:

- Why will Ukraine sell spare parts, assault rifles, equipment, etc.?
- Why not sell them immediately?
- What political consequences will the "Iranian action" entail in the world?

Thus:

Why Will We Sell Arms?

If I were to sum up the arguments in favor of such trade I have received from high officials, the answer would be as follows.

Ukraine has not taken upon itself an obligation to halt trade in conventional types of weapons. It rejects unambiguously only the sale of nuclear arms and their components. As an independent state on a par with other countries, it has a full right to carry out its own policies in the sector of military exports as well.

The arms business is one of the most profitable in the world. Ukraine, which has a limited circle of "peaceful" export commodities, is compelled to sharply increase its hard-currency receipts at the same time. The main source for such receipts is arms and surpluses in them.

The Ukrainian military-industrial complex is falling apart, state orders are not coming in, hundreds of thousands of people are being left without work, and the process of conversion, which is not supported from without, is slowly dying away. Under such conditions, in the words of one of the ministers, the military-industrial complex is prepared to sell whatever it can, including its soul to the devil.

Reviewing the basic strategic preconditions, let us focus on the "tactical Iranian" causes.

There are problems with energy resources in the CIS. Even as General Rutsikoy is saying on television that he will "close off the valves" to the Ukrainians, fraternal Turkmenistan is carrying out this action on the actual pipelines. Thus purchasing Iranian oil is a forced but also vitally important step for the republic.

But there is nothing with which to pay for it, even in barter. Arms would fill this gap very successfully.

There is also a purely subjective factor: Ukrainian officials are eager to adopt this plan and talk about the irreversibility (tempering it with the words potential and hypothetical) of this very variant for implementing national interests.

Why Are We Not Trading in Arms Now?

At the Ministry of Defense we were told what is apparently the main reason. Inasmuch as the Supreme Soviet has not approved a concept for the structure of a Ukrainian Armed Forces, it is too soon to talk about which kinds of arms may be sold abroad and which we will use ourselves. To undertake trade without the concept would mean neglecting the interests of the national security of the state.

Nor has there yet arisen an economic need for such barter. Deliveries of resources from Iran this year are miserly—4 million tonnes of petroleum and 3 billion cubic meters of natural gas. Ukraine is able to pay for them with civilian production—pipes, cement, etc.

Another obstruction has been the need to more seriously work out questions and some conflicts in the positions of the parties: Iran has proposed prices for our arms and spare parts for military equipment that are two or three times lower than world prices.

He went through almost every step on the state security career ladder—from a junior operative to first deputy chairman of the Ukrainian SSR [Soviet Socialist Republic] KGB.

Until recently, Ye.K. Marchuk worked as the Ukraine state minister for matters of defense, national security, and emergency situations.

Last November the Ukraine Supreme Soviet confirmed Ye.K. Marchuk in the post of chairman of the Ukraine Security Service (SBU).

[Zorka] Yevgeniy Kirillovich, we are meeting for the second time in less than a year. Unless I am mistaken, during this period of time you have changed jobs three times; even the organization you are the chairman of now has a different name. Its name has changed, but has its substance?

[Marchuk] I would not say that the structure of the Ukraine Security Service is entirely new. Although in its basic, fundamental principles, as well as in personnel, the SBU has indeed changed.

First, the basic postulates in the concept of state security have been radically changed. You may have noticed that the law on the SBU, recently discussed in its second draft by the Ukraine Supreme Soviet, contains no secrets; everything is open: methods, forms, structure, directions, subordination, control, and interaction. In short, the most radical attribute of the new structure is that the SBU is being created on the basis of a law, which was not the case, for instance, with the KGB.

Second, the KGB, as well as other former all-Union structures, cultivated the philosophy of a "fortress under siege," that is, the starting point of all actions and operations was that we, the state, are surrounded by enemies, who may any time start an attack, and therefore we need to fend everyone off.

I would put it this way: The current course of the Ukraine Security Service has taken a 180-degree turn.

[Zorka] How does it look in practice?

[Marchuk] I will explain. Today we do not have *a priori* enemies; that is, any special service is not hostile unless we receive concrete data that it is engaged in subversive work. I emphasize—subversive—because if its work is, for instance, of an information-or intelligence-gathering nature, it does not mean at all that we are dealing with a hostile special service. Why? Because an intelligence service is not always involved in subversive activities; more often, intelligence is related to quite normal things—for instance, information collection, whether it is related to forecasting military, economic, or political issues, or finding out the degree of sincerity in the relations between the governments of two countries. Intelligence is always, as they say, a part of such fundamental things.

Therefore, even if we detect an interest on the part of some or other special service towards Ukraine (by the way, currently we see an intensive process of information gathering about our republic, including through intelligence channels), and we are not, I repeat, talking about subversive activities, in such cases we try to be either partners or opponents, but under any circumstances not from a position of hostility.

[Zorka] All right, but what if some special service is closing in on our state secrets?

[Marchuk] Well, then, of course, our service acts somewhat differently—a compromise in this respect would be impossible—but, I repeat, we do not identify anyone *a priori* as an enemy.

Based on this principle, we see it as a normal situation to be in contact with special services of other countries. Such steps towards rapprochement have already been made. And this is what comes out. Even the USSR preliminary contacts show that we have things we can work on together. First of all international terrorism—especially nuclear—drug trafficking, smuggling, the arms trade; also some environmental problems, and even the AIDS problem. This is an approximate list of subjects on which it is possible and necessary to have close cooperation between special services of different countries. That is, such contacts, if they are in the interests of Ukraine, are a perfectly normal thing.

And, finally, now we do not have the so-called "center": our main point of reference is protection of the interests of the Ukrainian people. This may perhaps sound somewhat stilted, but I think it is closest to the real meaning.

Remember, for instance, one of the main postulates of the former KGB: Protection of the interests of the state has always been a priority, and then, somewhere in the tenth place of order—protection of the interests of the individual. Of course, protection of the Ukraine state structure has been and remains, as they say, within our competence. We must create conditions for a normal functioning of the state organs of power and, on the other hand, use the operational means of intelligence and counterintelligence to assist in the realization of decisions adopted by the parliament and government of Ukraine. But an intelligence and counterintelligence service is not worth a dime on market day if it provides powerful protection to the state structure, while the individual remains unprotected.

Of course, a security service is not going to be directly involved in maintaining public order in the country; however, the final goal of its activities is to guarantee the safety of a specific individual citizen and his family by combating corruption and organized crime, through the creation of a safe social environment in the country. So the next step, dictated by the logic of life itself, is the creation of true sovereignty of the individual, his freedom and safety. This is one more fundamental difference between now and the times when the state was "above all."

This is in general terms how the concept of the new Ukraine Security Service looks.

[Zorka] The infamous Fifth Directorate of the former KGB, which combated ideological subversion and "protected" the constitutional system, was mainly engaged in repressions against its own citizens and persecution of dissidents. What happened to this directorate? Does it have a place in the new structures of the Security Service?

[Marchuk] Out of 130 officers of the former Fifth Directorate, 38 remain with the SBU. The thrust of its activities is the protection of national statehood and territorial integrity of Ukraine. I understand that for you it sounds somewhat general and vague; I will only say that this unit has nothing in common with the former directorate.

[Zorka] What changes have taken place in other SBU departments?

[Marchuk] I must say that the former KGB has more than just repressions and persecutions on its record; there is a lot of useful information of use to the state that has been coming, and continues to come, from departments that are engaged in intelligence and counterintelligence. The intellectual potential and professional training in these departments are quite high (I wish every agency had such analysts!); therefore, these parts of the current SBU have been left practically unchanged.

I must say that currently our information is receiving quite a lot of praise, although, in my opinion, our service's operations are still very far from ideal. On the other hand, to put it in somewhat general terms, we are trying to preserve in the SBU all the intellectual and professional potential acquired in the past.

We have had rather major discussions regarding who ought to head the departments of the new SBU structure: should it be fresh people, with an unbiased attitude towards the specificity of our organizations, or should the last word be left to the professionals. I personally support the principle of cadre renewal, but I also hold the view that the advent of new people should have logic and consistency. After all, forgive me, but appointing new and ignorant people to a very specialized field of work—which is, by the way, what the deputies in the parliament and in the oblast soviets have advocated—reminds me of the same "commissars" of the bolshevik times. We have already had all of this, both a long time ago and quite recently, when people from the party organs were appointed to top-level jobs that required certain training and professional experience.

Of course, some of these people became excellent specialists, but only after they spent several years learning the specifics and understanding the business in depth—in other words, became professionals.

[Zorka] Yevgeniy Kirillovich, to finish the conversation about personnel problems in the Ukraine Security Service, please answer this delicate question: It transpired that your predecessor in this job is one of the top people in the special service of a neighboring state. Frankly, I cannot imagine such a paradoxical situation in, for instance, two other European countries. Is this normal, from your point of view?

[Marchuk] Well, when these personnel changes you are talking about took place, it was still a unitary state—the Soviet Union. N.M. Golushko became chief of the USSR KGB Secretariat, that is, went back to his previous place of assignment. It was only later that the former chairman of the Ukraine KGB found himself in the apparatus of Russia's special services. So there is nothing extraordinary in this.

[Zorka] In your opinion, will this situation not harm business? I mean the information N.M. Golushko possesses that could be used, if so desired, to harm Ukraine?

[Marchuk] I do not think there is such a problem: It is very hard for one, even very well-informed, person to somehow do harm to an entire state. Second, Nikolay Mikhaylovich is a man of high order, and I do not think that he will put us in a difficult situation by his actions. In any case, I would find it hard to believe.

[Zorka] That is, all we can count on is N.M. Golushko's chivalry?

[Marchuk] Yes, although I think that he will find himself more than once in a delicate situation because he is so well informed.

[Zorka] These days, one way or the other, facts about the routines of the former KGB become public knowledge. I mean surveillance, listening to conversations, opening secret dossiers on sometimes quite respectable citizens of Ukraine who for some or other reason came into the field of attention of this powerful organization. I would like to know your opinion: Do you reject such methods outright, or is the recurrence of this old disease possible in the new SBU on the grounds of some higher considerations of state?

[Marchuk] All of this is called in professional language "control over transmission of information," that is, if the information by itself is criminal in nature, and is circulated in the criminal sphere, control over its distribution is possible in the interests of uncovering the crime, but only under clear regulation and supervision on the part of the law. I understand that these methods, let us put it this way, do not look very nice; however, such practices are quite common in the entire civilized world. So far, these methods are still necessary. Moreover, such practice is regulated by international laws and legal norms under one condition—that these methods are used in the interests of ensuring state security or public order. The only issue is to coordinate this procedure with the procuracy and the Commission on Human

Affairs, and for a certain period of time. However, I repeat, these methods should be used strictly within the framework of the law.

[Zorka] It is no secret that the former structure of the KGB relied in its operations on "voluntary helpers," whom the people nicknamed "squealers." Sixteen generals of the former KGB have been dispatched into retirement; perhaps, this army of "squealers" should be retired as well? If you share my expectations, what is the best way, in your opinion, to accomplish this: through public repentance and publishing a list of such people in the press, or retiring them quietly, without focusing the public's attention on it?

[Marchuk] Regarding the "army," as you put it—the time will come when making such information public will no longer harm a specific individual, and then it will come out that there was no "army," especially lately. This is one of the myths surrounding the KGB during its entire existence. Second, we have already talked about the fact that there was only one directorate for combating ideological subversion, and its informers are only a small part of it; all other departments had their hands full without getting into political aspects.

As to my personal attitude towards this quite difficult problem, no special service in the world, if it considers itself decent, has ever published any lists. For a very simple reason: People came to cooperate with the KGB in a variety of different ways. Some were compelled to do so by circumstances, others, by their job position, still others, by a sincere conviction that they were on the right side in what they were doing. It is another matter in situations where disinformation caused tragedies for individual people and entire families—we should part with such informers without pity. At the same time, to torment all the others again would be inhuman, would you not agree?

Third, making such lists public would do irreparable harm to informers' family members; most of the time even the people closest to them did not have any idea that they were cooperating with the KGB. Let us consider the reputation of these, absolutely innocent, people as well. And, finally, a purely professional observation: After such a thing any special service, as a rule, ceases to exist, for no normal person would ever cooperate with it.

[Zorka] So it comes out that all your informers will stay with you?

[Marchuk] Not exactly. Beginning in 1985 a considerable number of the agents the KGB had been using has been reduced several times over. This process has been especially active during the last year and a half or two: Secret relations with about 95 percent of the total number of KGB informers have been severed. The main reason for such a massive reduction is simple: The customer for this kind of information—ideological subversion and protection of the constitutional system—has disappeared. I mean such a customer as the Communist Party of Ukraine Central Committee. Well, if there is no

demand for the information, it would not make sense to collect it and accumulate it in the former KGB, let alone in the current SBU structures.

[Zorka] In this regard, one more question which I hope you will answer: Have the rates on information in your agency gone up to keep up with inflation?

[Marchuk] This is another myth about special services: We have never had such set rates. Of course, there is a very small paid category of informers, who have worked and are working in certain criminal groups; there have been, of course, one-time bonuses; however, such a practice was not routine.

If a person risks his life working for us or it affects his health, such work, understandably, must be paid for.

Also, we take into consideration the value of the information received. This applies first and foremost to scientific-technical and economic information. As to political—it does not make sense to collect it, although we have informers in the ultra-radical factions of the right and left wing, whom we keep under our control. But this is called "armed extremism" in professional language: You understand that where there are arms, there are violent methods of political struggle, which our service must counteract.

[Zorka] And the last question: Not so long ago Levko Lukyanenko, right here within these walls, was presented with a secret dossier collected during the years of his political activities. I cannot maintain with certainty, but there surely exist such dossiers on other political figures, writers, and journalists as well. Does the SBU have plans to conduct an inventory of its archives and present a memorial "gift" to former political opponents of the power structures that existed until recently?

[Marchuk] The former KGB had certain procedures in this respect: In order to not repeat the horrors of 1937 or make lists of everyone who one way or another attracted the attention of state security, operational files were to be kept only for a certain period of time. Therefore, today the archives of the former KGB contain only the files of the period of repression or those that were brought to court. This was the kind of a file handed over to Levko Grigoryevich. As to operational files, they are destroyed in accordance with instructions, so that nobody can be tempted to influence the life of some or other person because of suspicions of years long past.

As to the files that are kept in our archives, which I have already mentioned, we have prepared them for transfer to the appropriate organizations. As soon as the laws on archives are passed, these files, which contain a lot of interesting—and at the same time tragic—things will cease to be our property.

ECONOMIC AFFAIRS

Impediments to 'True' Market Economy Viewed

92UN1103A Moscow TRUD in Russian 4 Apr 92 p 2

[Article by I. Mikhaylov under the "Commentary of the Day" rubric: "When the Budget Is Full of Holes"]

[Text] The mass media are picking apart the report made by Ukrainian President L. Kravchuk at a recent closed session of parliament. They are concerned with the future of our weaponry, with the division of assets that belonged to the former Soviet Union, and with Ukraine's desire to get reoriented to the West instead of the East in its politics and economy.

But the people who live here are primarily concerned with our internal processes. They are developing in such a way now that in the very near future they may exacerbate our social conflicts and undermine the stability and the strength of the Ukrainian community.

We can start by mentioning the shifts in work pay that is more out of balance than ever before. On the one hand, you see a coal miner with his 20,000 rubles [R] or more a month. On the other hand, there is a retiree with R440, regardless of his work experience or previous pay. What about teachers, doctors, researchers, or designers, who make some R1,000 or R1,500 and not more? Now and again one meets with purely paradoxical situations. A watchman at the metallurgic factory recreation facility is paid, for instance, twice as much as a doctor of science.

If we try to analyze our recent social conflicts, we can easily notice that strikes of teachers, doctors, or transportation workers are the best organized and most powerful in the areas of well-developed coal mining and metallurgical industries. These are the places where people with extra high and extra low incomes live next to each other and frequent the same stores.

Strike committees are being set up even in rural areas that have always remained quiet. However hard you may try, it is impossible to explain comprehensively to a mechanic or to a dairy maid why his or her pay is 50 or 100 times smaller than that of a coal miner. All wage controls have disappeared and the bigger "wages" go to the ones who are better organized or can apply more "pressure" on the government.

All this became possible because the Ukrainian Law on Enterprises which removed restrictions on work pay was adopted before any concept of a drastic reform for the entire wage system could take shape.

The government program of resolving the economic crisis suggests a wage freeze. That means that the current disproportionate wages will remain with us for a long time, possibly for many years. Such a situation, obviously, cannot be conducive to any calm or stability within the community.

Essentially the problem is that the extra high wages in heavy industry have not yet been earned. Millions of taxpayers are keeping the working elite at their expense. Not a single plant can survive on its own profits at present. Every one of them lives in debt. According to Ukrainian Industrial and Construction Bank data, by 1 April, heavy industry had a debt of R15 billion in Dnepropetrovsk Oblast alone. This debt is larger than the entire production volume of two years ago. Almost every day enterprise managers apply for more credits from banks.

Considering that coal miners and metallurgists make up an absolute minority of consumers, the consumer demand is dropping in front of our eyes. The production of consumer goods and of food items is steadily dropping, but our stores are packed full of them. Many of our people have not seen such an abundance on the supermarket meat counters since the day they were born. But can each of us afford a pork chop at R9.5 each?

It is not every person that can pay R28,000 for a refrigerator, R16,000 for a microwave oven, R3,000 for a pair of men's shoes, or R1,500 for a cotton dress. Nobody is buying shovels and zinc pails at R120 or R150. Sets of enamel kitchen ware, priced at R1,500 and R2,000, are not selling.

One can say without any hesitation that all attempts to sustain heavy industry with the help of many billions of credits can only lead to hyperinflation and social upheavals. This means that we are looking ahead at bankruptcies, closing of enterprises, and mass unemployment.

The disproportionate work pay and the attempts to keep heavy industry afloat through large subsidies are the two reasons which prevent Ukraine from developing a true market economy. Until they are eliminated, the situation cannot be helped by either new legal tender, whatever you may call it, or by outward signs of statehood such as our own army, aviation, and navy which consume up to 40 percent of the revenue of our independent state.

State Duma Economic Councilors Appointed

92D0289B Kiev HOLOS UKRAYINY in Ukrainian
12 Mar 92 p 3

[Article: "Decree of the President of Ukraine On the Membership of the Collegium on Economic Policy of the State Duma of Ukraine"]

[Text]

DECREE OF THE PRESIDENT OF UKRAINE

On the Membership of the Collegium on Economic Policy of the State Duma of Ukraine

1. To approve the membership of the Collegium on Economic Policy of the State Duma of Ukraine (appended).

2. This decree shall take effect on the day of its signing.

[Signed] **L. KRIVCHUK**, president of Ukraine

[Dated] 6 March 1992, Kiev

Membership of the Collegium on Economic Policy of the State Duma of Ukraine.

Borodyuk, Volodymyr Mykhaylovych—director of the National Institute of Economic Programs, doctor of economic sciences

Volokha, Petro Feodosiyovych—director of the Ploskiy state pedigree cattle breeding enterprise in Kiev oblast, candidate of economic sciences

Heyets, Valeriy Mykhaylovych—department head at the Institute of Economics of the Academy of Sciences of Ukraine, doctor of economic sciences

Herts, Ivan Ivanovych—head of the managing board of the Zakarpatis Leasing Collective Association, people's deputy of Ukraine

Hetman, Vadym Petrovych—head of the managing board of the Ukrayina Agroindustrial Bank, people's deputy of Ukraine

Dzyubenko, Oleksandr Yazorovych—head of the managing board of the Western Ukrainian Commercial Bank in Lviv

Zvyahilsky, Yukhym Leonidovych—director of the Zasyadka Mine in Donetsk, people's deputy of Ukraine

Zubets, Mykhaylo Vasylyovych—vice president of the Ukrainian Academy of Agricultural Sciences, academician

Levchenko, Hennadiy Petrovych—general director of the Malyshev factory in Kharkiv

Melnykov, Oleh Serhiyovych—director of the Odessa champagne winery

Naumenko, Volodymyr Ivanovych—director of the Economic Office of the President of Ukraine, candidate of economic sciences

Oskolsky, Valentyn Volodymyrovych—head of the board of directors of the Stock Exchange

Pakhomov, Yuriy Mykolayovych—head of the Economics Section of the Academy of Sciences of Ukraine, academician, director of the Institute of Sociology of the Academy of Sciences of Ukraine

Pavlyk, Vasyl Ostapovych—first deputy chairman of the Ivano-Frankivsk oblast executive committee, candidate of economic sciences

Pynzenyk, Viktor Mykhaylovych—department head at Lviv State University, doctor of economic sciences, professor, people's deputy of Ukraine

Pohoryelov, Serhiy Stepanovych—president of the Ukrainian League of Enterprises with Investments of Foreign Capital

Podlesnyuk, Viktor Vasylyovych—chief of the planning and financial administration of the Ministry of Trade of Ukraine

Plyutynsky, Volodymyr Antonovych—head of the Zorya agricultural firm in Rivne oblast

Raykov, Borys Serhiyovych—general director of the Azot Production Association in Cherkasy

Slyednyev, Volodymyr Petrovych—director of the Donetsk metallurgical plant, doctor of technical sciences, people's deputy of Ukraine

Chernyak, Volodymyr Kyrylovych—department head at the Institute of Economics of the Academy of Sciences of Ukraine, doctor of economic sciences, professor.

The Collegium on Economic Policy of the State Duma of Ukraine is headed by State Councilor of Ukraine on Economic Policy Oleksandr Serhiyovych Yemelyanov.

Vice Prime Minister Masik on Iranian Oil Deal

92UN1095A Kiev GOLOS UKRAINY in Russian
12 Mar 92 p 10

[Interview with Ukrainian Vice Prime Minister Konstantin Masik by Aleksey Yevsikov; place and date not given: "There Will Be Oil, There Will Be Gas"]

[Text] For well-known reasons, the difficult situation with forms of energy in Ukraine forced us to search for new sources of supply. But for many, the signing of a Ukrainian-Iranian agreement on the supply of oil and gas from Iran was a surprise. What the basis for this variant was is explained by Ukrainian Vice Prime Minister Konstantin Masik.

[Masik] Our republic, for example, satisfies 80 percent of its annual needs for gas through imports. Russia gives 55 percent, and Turkey was giving 25 percent. We are actually tied to the former "Union" source, and this makes it possible to conduct economic blackmail, which is already perceptible. Our specialists and Western specialists calculated: If even the largest source of imported gas is cut off, the shortage of energy, for example, in the FRG, will be 6.7 percent, in France, 3.7 percent, but in Ukraine, 31 percent.

Therefore, one of the tasks of the project will be to ensure the economic independence of Ukraine. This was not a spontaneous decision. It was worked out by several institutes, and it was approved by the Academy of Sciences. Finally, we signed an appropriate trilateral agreement.

But it cannot be said that, with this project, we are excluding Russia itself from future plans. It should only be added that on condition of introducing free prices for

energy with it, which will happen soon (incidentally, this is also an unforeseen change in Russian policy), we will, in fact, switch to accounts in world prices; that is, Russian oil and gas, will cost almost the same in comparison with that of the Iranians. Then we will have an opportunity to choose the less expensive and more qualitative raw material.

[Yevsikov] How specifically will the Iranian project be implemented? When will its implementation be started?

[Masik] The Iranians already have a gas pipeline to the border with Azerbaijan. We have established a Ukrainian-Iranian-Azerbaijani company, which will build an entire system of pipelines through Russia to Ukraine. Forty-five percent of the investment is ours, the very same for Iran, and 10 percent is Azerbaijan's.

This year, we will receive 3 billion cubic meters of gas and 4 million tonnes of oil from Iran. The Odessa oil terminal cannot receive more than this volume, and the construction of a new terminal calculated for 50 million tonnes in the Yuzhnyy port is only being studied.

Regarding the beginning of the implementation of the project, we have already signed an interbank agreement concerning accounts. We have established strict periods for annual deliveries. It is still necessary to conclude contracts with our enterprises. So, the agreement will go into effect soon.

[Yevsikov] It is said that there is too much sulfur in the Iranian oil as a result of which our enterprises will not be able to process it.

[Masik] I am not a chemist, but I am guided by the conclusions of our specialists. Iran has heavy oil—at \$120 per tonne, and light oil—at \$129 per tonne. We have the right to pay \$9 more and take the latter, pure oil. It is not worse, but better than the Russian oil. The Iranian side assured us that deliveries will be made at a world qualitative level.

[Yevsikov] Are there further prospects for the trilateral project?

[Masik] Yes. The contract is reinforced by mutual guarantees, and it is calculated for 15 years. Next year, the supplies of Iranian gas should increase to 6-12 billion cubic meters. But as early as 1995, we will have the capability of letting 250 billion cubic meters of gas pass through the line, using half, and transferring the remainder to Europe, which will give us substantial hard currency receipts. There are states, which, I emphasize, are very interested in such a project. Therefore, if we do not have enough of our own capabilities, we will be able to obtain the credits of other European countries.

The economic groundwork is being prepared for the construction of an Iran-Ukraine oil pipeline. If this will be really profitable, we will begin work. Ukraine's contribution is the construction of oil and gas pipelines—pipes and pumping stations. With this, we will partially pay for Iranian energy forms.

[Yevsikov] What kinds of other branches of possible cooperation with Iran exist?

[Masik] The Iranians proposed that we take part in the reconstruction and expansion of the Estahban metallurgical combine. Moreover, the Iranian Ministry of Mining and Metallurgical Industry has asked us for machines and equipment in the sum of \$350 million. This also will be a payment for oil and gas.

Fruitful cooperation is planned for the freight shipment branch and for the reconstruction of roads and ports in Iran. That is, we are establishing strong contacts.

[Yevsikov] Thank you for the interview.

Crimean Republic's Takeover of Tourist Industry Viewed

92UN1075A Moscow IZVESTIYA in Russian 1 Apr 92
Morning Edition p 8

[Article by Viktor Filippov: "Come to the Crimea for a Vacation: But Bring Plenty of Money and Caution With You"]

[Text] The Crimean Republic has taken all the health resorts situated in this peninsula-paradise under its own administration. The foundation has been laid for a new sector of the Crimea's economy—the tourist industry.

I did not make a slip of the pen—it is a specifically new sector because the traditional definition of the Crimea as an "all-Union health center" had nothing in common with the economy. An absolute majority of the 1,005 sanatoriums, resort hotels, inns, and rest homes situated here were structural subdivisions of various departments of the former USSR; they had no rights as legal entities and, therefore, paid absolutely nothing into the Crimea's budget. This status as an honored guest who was concerned solely for his own needs (i.e., about increasing the number of rooms and beds) also corresponded to the health-resort owners' attitude toward the Crimea's needs: I do not give a damn about anything else. Nowadays—due to the poor sewer systems and many departmental boiler-plants smoking up the sky—this peninsula's health-resort zones are nearing an ecological disaster. Last year one-half of the Crimean beaches were closed down for sanitary reasons. And judging from a report published by the newspaper KRYMSKAYA PRAVDA, Yalta has been officially excluded—at the UN level—from the number of health resorts as ecologically polluted.

However, this still does not mean that the Crimea has ceased to be healthful. All the more so in that for most people residing in the CIS, the Crimean coast remains the only place where they can still warm their bones without worrying about getting them broken in some interethnic or political conflict. But, when you set out for a vacation in the Crimea, you must bring along plenty of caution as well as a lot of money. You will need such caution when you begin to look for a suitable place to

stay. Do not expect to be able to first offer for a bed from a private property owner or petty trader. Because of the high prices last year, the Crimea was visited by 1.5 million fewer "outside" vacationers or tourists than usual. And for those who did arrive there was a choice, since the Crimean health resorts were afraid to dictate conditions with their former intransigence due to the decline in demand. And inasmuch as last year's price rise is comparable with the present-day flowering, those persons who have risked their wallets and purses for the sake of health will become even more desired by the market for housing accommodations. So far it is hard to say how much the private property owners will be asking—the real prices will be set after the season begins. But inasmuch as expenditures for an "outsider's" vacation are usually close to those for an authorized stay at a sanatorium, then even now we can estimate what a vacation on the coast of the caressing sea will cost.

The price of an authorized stay at an average sanatorium has already risen to 3,500 rubles [R], while in a resort-type hotel or inn it has increased to R2,500. The imminent rise in prices will probably increase these amounts, but even then the cost of such an authorized stay—which is very burdensome for our average salaries—will not be a guarantee of a full-value vacation. The fact of the matter is that the Crimean Council of Ministers has refused to supply food products to "foreign" health resorts, i.e., those which do not belong to Ukraine. This is a step which is unpleasant for the vacationers, for the sanatorium meals have become much worse. But it is a completely logical step for the executive authorities, who are obligated and duty-bound above all to be concerned about feeding the 2.5 million inhabitants of this peninsula, rather than its 8 million vacationers.

On the other hand, this does not mean that the Crimean State Committee for Tourism has to be shown with a local registration. But even without having to explain a long list of questionnaire-type items, a foreigner from an adjacent republic feels like a poor relation because—even though his pockets may be full of rubles—he will not be able to buy so much as a toothpick here. Coupons—the Ukrainian half-currency—have crowded the ruble out of circulation in state and cooperative trade. In the bazaars, too, the ruble has already yielded its second place—after the dollar—to the coupon.

The Crimean government has appealed to the Ukrainian Cabinet of Ministers for permission to exchange at least some of the vacationers' rubles for coupons, all the more so since—beginning on 1 April—Ukraine will implement a complex of measures to completely withdraw rubles from monetary circulation. It is hoped that state-run exchange centers will appear in the health resorts by this summer. But even without them the "ruble" vacationers will not collapse. At every little bazaar in the Crimea there are "businessboys" trading coupons for rubles at a rate of approximately R20 per coupon unit. With the influx of vacationers or tourists, this Ukrainian semi-currency will become more and more expensive, but

this will be compensated for by the coupon's higher purchasing power in comparison with the ruble inasmuch as the bazaars and stores here have a somewhat more abundant assortment and are slightly cheaper than their Russian counterparts.

Elements of the primitive market have greatly coarsened social attitudes and relations, particularly in the peninsula's health-resort areas. For that reason, guard your wallets and purses not only in the bazaars, bearing in mind that in recent years the crime rate in the Crimea has risen by 71.3 percent, primarily accounted for by homicides, robberies, thefts, and larceny. And although V. Kurashik, chairman of the Crimean Republic's Council of Ministers, has personally assumed direct leadership in administering internal affairs, caution is still more reliable than the police for safeguarding your wallet or purse, as well as your own life, especially in the evening.

All these problems—which can spoil one's vacation—are connected to that same organization for which beds and vacancies are more important than human beings. Perhaps for the first time in the Crimea's Soviet history, its government, by preparing a decree on the development of the health resort and recreational sphere, has tried to respond to such simple and sensible questions as the following: Why can we not take our children with us to a sanatorium? And not for 12 or 24 days, but, let us say, for just a week? And why can we not arrive on any day that is convenient for us...? Also appearing in the decree are proposals concerning the takeover of all health resorts by the Crimea and converting them to commercial operating conditions with the rights of a legal entity. That means that they would live according to the laws of the Crimean Republic and pay taxes into its budget, leaving the property to its former owners.

By the way, the Crimean government is not attempting to lay its hands on the enterprises and health resorts located on this peninsula. It sensibly assumes that, in the first place, such a burden would be beyond the republic's capacity to handle (because, of course, plants have to be supplied with raw materials) and, in the second place, property ownership by other states is the best guarantee of good-neighbor relations with them. Of the 1,005 health resorts, the Crimea has taken over only 50; these are the ones whose owners—the union ministries and departments—have ordered to live for a long time. And as for the others, let their owners worry about them, just so long as they make regular contributions to the Crimean budget from their profits and by their land taxes. All this money will be spent solely for engineering, environmental-protection, and social improvements and facilities in the health-resort zones. And the land tax will—in the end—equalize the vacationers, inasmuch as the formerly elite sanatoriums—in order not to be ruined by making payments for excess territory—will have to open up their splendid parks and beaches for all those persons who wish to visit and use them.

Duty Imposed on Travel Through Transcarpathian Oblast

92UNI095C Moscow TRUD in Russian 2 Apr 92 p 1

[Article by unidentified correspondent: "Well Then, Driver, 'Fork Over'"]

[Text] The authorities of the Transcarpathian Oblast introduced a duty for travel through its territory. For a Ukrainian citizen it amounts to: 150 rubles [R] for passenger cars, R300 for trucks, and R500 for buses. As an INTERFAX correspondent was informed in the Transcarpathia Oblast Soviet, in the near future, residents of other countries of the CIS will have to pay for travel in hard currency. This form of collecting duties is provided for in a program of economic development of the free zone of Transcarpathia.

Maritime Fleet Structure, Work Viewed

924A0892A Kiev GOLOS UKRAINY in Russian No 28, 18 Feb 92 p 6

[Interview with Viktor Vasilyevich Pilipenko, chief of the Black Sea Shipping Company, Ukrainian people's deputy, and recently appointed president of the newly formed Ukrainian State Maritime Transport Administration, by correspondent Georgiy Vorotnyuk; place and date not given: "A Young State's Maritime Fleet: A Timely Interview"]

[Text] Odessa—Is Ukraine a maritime state? It certainly is. The Black Sea and the Sea of Azov wash the southern shores of our state. But what about this question from the economic standpoint? At first glance, there can only be one opinion here, too: The Black Sea and Azov shipping companies operate in those seas, and there is another shipping company on the Danube—a company which also has egress to seas and oceans and which likewise delivers cargoes to dozens of countries. Until recently all these shipping companies were subordinate solely to one Union-level department—the Ministry of the Maritime Fleet, which rigorously guarded its own monopoly on ships, ports, and ship-repair yards, i.e., dry docks. It had complete and undivided control over the profits being received here, including those in hard currency.

On 12 September of last year the Ukrainian Supreme Soviet decided to nationalize the merchant, i.e. commercial, maritime fleet which was located on its territory. From that time forward the Ukrainian state became de jure one of the world's largest maritime countries. But what about the de facto situation? In order to clear this matter up, our own correspondent conducted an interview with V. Pilipenko, chief of the Black Sea Shipping Company and Ukrainian people's deputy, whom the Cabinet of Ministers recently appointed president of the newly formed Ukrainian State Maritime Transport Administration.

[Vorotnyuk] First of all, Viktor Vasilyevich, it's probably appropriate to explain just what Ukraine did inherit from the former Union.

[Pilipenko] As a new heir, we obviously have some ambiguous feelings. On the one hand, we received quite a few worn and obsolete fixed assets (the fleet, ports, yards, and plants), as well as a tight knot of unsolved social problems. This is understandable because, you know, we were on hunger rations, as the saying goes, for a long time: As much as 92 percent of the profits and all the planned hard currency used to be taken into the Union-level budget. Over the past 10 years more than 7 billion rubles of profits were earned and turned over to the central authorities. From this amount, the Black Sea Shipping Company obtained only 1.2 billion rubles in the form of capital investments in production facilities and to finance budgetary organizations. This picture was also analogous with regard to the other shipping companies. But, on the other hand, we nationalized a comprehensively developed economic structure: approximately 1,500 ships of various types, 19 seaports, eight ship-repair yards, and many other organizations (maritime VUZ's [higher educational institutions] and schools, space communications, hard-currency trade, a construction industry, a network of institutions in the social sphere, joint-stock ventures with foreign companies, and foreign missions). We also nationalized well-adjusted and fine-tuned, multiview ties with hundreds of foreign firms—firms which give a high rating to our Ukrainian maritime organizations.

[Vorotnyuk] But are the Ukrainian state structures, which—up to now—have not essentially engaged in such large-scale and specific business matters, prepared to investigate all this, to penetrate into these matters more deeply, and—finally—to understand what benefits may be obtained from all this?

[Pilipenko] I would answer that in the negative. Even now, unfortunately, one hears things like the following in certain "offices": "Figure things out for yourselves down there in Odessa; we have enough worries without you." And these bureaucrats fail to give thought to the fact that—by utilizing the support of the young state (what I have in mind is not at all a subsidy from its budget), the fleet, along with its coastal organizations, could provide considerable help in the rapid emergence of an independent foreign trade for Ukraine—in other words, to assist in its economic and political independence. Nor am I even mentioning that "maritime commerce," in and by itself, can provide more than a billion dollars of profits to the state annually. And, you must understand, we need such dollars, especially now.

[Vorotnyuk] But, Viktor Vasilyevich, what can you haul? What can you trade in or for?

[Pilipenko] Indeed, we do not have too much to offer other states. Furthermore, we do not have money with which to buy things. However, since we do have these days an excess in shipping capacity, as compared to

Ukraine's need for foreign trade, we can offer transportation services to other states and foreign companies on a mutually profitable basis, thereby earning hard currency for expanding this same foreign-economic activity.

[Vorotnyuk] But are you capable of competing with the foreign shipowners?

[Pilipenko] Well now, you have come to the point. That is probably just what those people thought who purchased grain abroad for the former Union. During the first six months of last year alone more than 4 million metric tons of grain were hauled into the ports of the Black Sea. Of this amount, 2.7 million metric tons were hauled by foreign ships. Their freight charges came to something like 51.4 million American dollars within a total expenditure of 78.3 million. I am convinced that the officers and crews of our own country's ships could have entirely coped with such an operation. And, you see, the state would not even have had to pay for their services in hard currency (furthermore, it would have been in lesser amounts). That is because we have recently become accustomed to seamen delivering cargoes without being paid at all. The Black Sea Shipping Company, for example, greeted the New Year with just such a "gift" to the Union's foreign-trade departments: They did not pay for more than 315 million rubles' worth of hauls in international or hard currency. From whom are we to recover this debt now?

We need to be more active in developing new types of hauls and new regions. And, let me note, we are doing this. Let me cite just two examples. It is no secret that, as a result of the declining cargo turnover between the republics of the former Union and Bulgaria, the ships engaged in the Ilichevsk-Varna ferry crossing have been operating at half strength. And so the diesel ship Geroi Shipki for the first time completed a run along the Ilichevsk-Varna-Piraeus route and delivered 543 Lada motor vehicles to the Greek port. Moreover, that was just an additional cargo; the usual cargo—in railroad cars—was also delivered to Bulgaria. But this only became possible after the ferry was appropriately refitted. Just during the four days which were required for this run the diesel ship earned \$100,000 in profits for our shipping company. Now we are also going to modernize the diesel ship Geroi Plevy. Let us hope that runs to the Mediterranean Sea soon become regular events for our ferries. Here's another example: The diesel ship Sokol was the first of our shipping company to begin calling at ports of the small- or modest-sized African countries. Hired by the Transnautik brokerage firm (Vienna), it delivered 10,000 metric tons of Thailand rice from Bangkok to Gambia. The Sokol has opened up the way for other ships to reach regions which have been untraditional for us.

And so there are some things for us to haul overseas. We just have to show some initiative and some entrepreneurial "nerve."

[Vorotnyuk] Well now, you are holding the good cards in your hand at present. The noose of the Moscow departments has been broken off, and you have your own state administration.

[Pilipenko] Do not speak so soon. In the first place, that noose is not yet completely broken off. Your newspaper has already written about a conflict between the Black Sea Shipping Company and the board of the Sovkomflot Joint-Stock Company. The bureaucrats of the former Ministry of the Maritime Fleet have acquired 51 percent of the shares and now have ships which do not belong to them at their disposal. By means of documents that were essentially "fabricated," i.e., forged, they sold the passenger liners Maksim Gorkiy and Fedor Dostoyevskiy to dummy foreign companies. And they have become involved in a violent conflict with foreign departments which have demanded that the Soviet flag be removed from these ships. And G. Gerasimchuk, deputy minister of the maritime fleet, recently signed an order to write the dry-goods freighter G. Berizchuk off our shipping company's balance sheet so that it may be sold on the market. In appealing to the governments of Russia and Ukraine, we demand that a halt be called to such illegal and unilateral actions; we consider them to be a violation of interstate agreements. We must urgently convoke a meeting of Sovkomflot's shareholders with participation by government experts from those states on whose territories the shipping companies are operating. This must be done in order to equitably distribute the company's shares, as well as to ensure participation by all the shipping companies in administering the company's property and in distributing the profits. Otherwise, we will not be able to avoid complications in the relations between the shipping companies of Russia, Ukraine, Georgia, and the Baltic states, along with a decline in the international prestige of their maritime transport.

In the second place, the just-created Ukrainian State Maritime Administration [Ukrmorflot] still has to complete its process of coming into being. Up to now it still has no state administrative apparatus; some specialists from the Black Sea Shipping Company have been temporarily handling matters on a voluntary basis, so to speak. But, you know, Ukrmorflot has jurisdiction, as I have already said, over not just one but three shipping companies—the Black Sea, Sea of Azov, and Ukrainian Danube companies, many ports, yards, plants, other enterprises, institutions, and organizations. Their actions must be directed into one channel—for the benefit of Ukraine's people. Ukraine needs a high-capacity fleet. In my opinion, during the next five to seven years the structural units of Ukrmorflot must make life easier. We must not fleece these units, as we have done up to now. Tax breaks will enable them, first of all, to replace the overaged and outmoded fleet with a new one without state subsidies; and this fleet, you may be sure, will "carry" some quite large and heavy "golden eggs" for the Ukraine. But if the government smothers the maritime fleet with excessive and exorbitant requisitions, then the state will receive—at best—a thin

chicken soup at a charity dinner. We will soon propose to the government not only a structure for the state administration but also our own calculations regarding taxation, renovating the fleet, ports, yards, and plants. Let us hope for mutual understanding.

[Vorotnyuk] As far as I know, the situation in the social sphere is also acutely critical.

[Pilipenko] And how could the fleeing by the Union-level departments fail to have an effect here, too? Suffice it to note that more than 5,000 seamen are still without jobs. Since we know the value of seamen's work cards, we have not fired them, but instead have been trying to keep them on by temporarily sending them to work in foreign companies (the latter are glad to take them on), using them in shore operations, or sending them on leaves ahead of schedule. You will agree, of course, that these are not the best variants; what we need are new ships. There are enormous lines waiting for apartments everywhere: Seamen and port workers must wait as long as 10 or even 20 years for housing. Therefore, we are creating our own construction industry. And, like everywhere else, there are problems with food supplies. But again, we are not stretching out our hands to the state, but instead helping the peasants to create a processing industry so that we may obtain sufficient food products from it. Our shipping company contributes 80-90 million rubles a year toward developing the social sphere, thereby helping not only our own collectives, but also the people as a whole. My only regret is that certain local soviets and ispolkoms are not helping our activity—to put it mildly. Our shipping company and its sponsors are sometimes treated like some kind of aliens. Right here in Odessa, for example, instead of solving the urgent problems by working together, some people have decided that it is better to seek a "compromise" and disseminate

[word illegible]. I would not mention this if such actions had not impacted on the common moral-psychological and business climate. Separatist moods and attitudes have been intensifying against this background: Certain large and small collectives have been declaring themselves to be "sovereign," forgetting that the technology of the transportation process must not be torn asunder, that the coast depends upon the fleet, and the fleet—upon the coast.

[Vorotnyuk] Do you not mean that you oppose economic independence for enterprises and their attempts to work for themselves rather than for their "uncle?"

[Pilipenko] No, that is not the point. We have quite a few lease-type and small enterprises, cooperatives, and joint companies; we try in all manner of ways to help the entrepreneurial spirit to develop. In the present, transitional phase I am opposed to proceeding to privatize the fleet or the shipping company's other fixed assets, ports, yards, and plants. But there is a tendency in that direction: Nowadays some people want to snatch as much as possible for themselves, and they do not give a damn about anything else. I think that the maritime fleet in its full complexity should remain in state hands for a certain length of time. Otherwise, we will not be able to avoid enormous losses of an economic, social, and political nature both within the state and in the international arena. What I am talking about here is that—while developing our own entrepreneurial spirit and appropriately rewarding people materially—each working collective should feel a lofty responsibility for its partners and for the common cause. We will be attempting to bring about a situation whereby the State Maritime Transport Administration helps precisely and specifically in this matter. Ukraine can and should be recognized in the world as a mighty maritime state.

MOLDOVA

Smirnov Opposes Snegur's Political Stance

92UN1104A Moscow *RABOCHAYA TRIBUNA*
in Russian 3 Apr 92 pp 1, 2

[Yuriy Makartsev report: "Snegur Has 'Had It' With Speaking With Smirnov" subtitled "But This Does Not Relieve the President of Moldova. As, Equally, the Leaders of Russia, Ukraine, and Byelarus, of Responsibility for the State of Human Rights in the Dniester Region, Where the Blood of Our Compatriots Is Being Spilled"]

[Text] It is maintained that the president of the Dniester Moldovan Republic, Igor Nikolayevich Smirnov, meets with journalists extremely rarely. He is distrustful, possibly, or believes, who knows, that the knights of the pen could create an "enemy image" or, far worse, exhibit for public review a prepared "political corpse." According to another version, Igor Nikolayevich recognizes that he has one Achilles' heel—as a "grease monkey," he is not strong in liberal arts thinking and is in politics no philosopher but a man of practice. It is for this reason that he shies away from interviews. But, then, many politicians and leaders from the vast space of the CIS have never leafed through Hegel and Spinoza either.

What is most likely is a third version. Smirnov is cautious. The more so in that the conflict in the Dniester region has not yet taken shape, as in Karabakh, conclusively in the form of a malignant tumor, and there is still hope, perhaps, that a balance of forces may be achieved between Chisinau and Tiraspol.

Neither did I hope to get to see the president. Smirnov was ill. Only on the day of my departure for Chisinau, when I had already taken a room in the hotel and was about to load my things into the car, was I informed: Come, he will receive you. We had never previously met. But I immediately recognized in the man, tall and of strong build, with characteristic beard and stern gaze, striding through the reception area accompanied by two bodyguards, Igor Nikolayevich Smirnov. I knew him from a photograph which I had seen in *DER SPIEGEL*. Quoting the opinion of people of Chisinau, this magazine had in its article called the "Republic of the Dniester Region" an "operetta" republic, and Smirnov himself, a partocrat.... Very well, foreigners may do what they wish. For them Mircea Snegur, president of Moldova, is made from the same dough also: a former secretary of the Moldovan Communist Party for agriculture. But, then, neither does "our press" stand on ceremony when it comes to the Dniester Region: "separatists," "pseudo-republic," "illegal president".... Therefore, having made myself comfortable at the dictating machine in Smirnov's modest office, I asked for openers:

"No one has recognized the republic. But neither are you yourself pushing the recognition process, apparently."

"Correct," the president replied. "Many countries have, admittedly, recognized Moldova—what good is this doing?! The main thing is the economy. If, say, there are two or three times more joint ventures than today, no special recognition will be needed."

The answer did not, to be honest, greatly satisfy me. Him either, evidently. But I had involuntarily trodden on a sore spot for Smirnov, which, evidently, compelled Igor Nikolayevich to return to the problem repeatedly:

"We cannot, of course, lived cooped up, although a certain political isolation is a fact. I would like to emphasize that the formation of the Dniester Republic is not an end in itself. It was an appropriate measure in light of the explosion of nationalism in Moldova. Today, however, the nature of power pressure on the Dniester region is changing somewhat...."

"That is, you mean to say that the anti-Russian mood...."

"Yes," Smirnov confirmed. "Moldova has reached out for the United Nations, and nationalist concepts are not looked on with favor there. A new trend has been discerned of late, therefore: not of struggle against those speaking a different language but of struggle against dissidents...."

Perhaps.... I have myself for a long time not understood why some journalists and agencies reporting on the Dubossary skirmishes have en passant pinned on the Dniester people the label of devotion to pre-perestroika ideology. Heavens above, the red flag over Tiraspol! The Lenin Monument has not been pulled down! The T-34 tank has not been pulled from its pediment! Flowers are laid at the Suvorov Monument, but they balk at the Romanian flag, you know. The labels go as transit freight overseas! And now *DER SPIEGEL* draws the staggering conclusion that Tiraspol is the last bastion of socialism after Cuba and North Korea. Utter rubbish!

The republic is a dissident. President Smirnov is a dissident. This phenomenon has been picked up and commented upon extensively by the press. Some democrats are allergic to nonstandard public behavior. Even cultured St. Petersburg has "knocked over" Lenin's armored car and removed completely out of sight the monument, at which, speaking in pragmatic terms, tourists' dollars could have been prised loose. But the bulldozer has not been driven up "to Lenin" in Tiraspol. Hence.... What a gift for Moldovan nationalists!

In the press and on television Moldova has in recent years "earned" the regular spot of state of exacerbated interethnic disagreements. Does nothing else happen in the republic? I, for example, went to Tiraspol on the basis of a reader's letter, following up his complaint referring to the practice of privatization at one of the republic's biggest garment combines. The letter was gratifying from a human angle: people are not just shooting at one another in the region, consequently.... I did some rummaging around in the city's economy and

saw for myself that all economic processes are not lagging behind here, if not in fact outpacing Chisinau and Moscow. All phases of the market condition which have been achieved in other parts of the CIS are present here also: denationalization, formation of private and other forms of ownership, price liberalization, an explosion of banking structures, development of foreign ties....

"We are convinced," Smirnov commented, "that there has to be ruble circulation and we are opening banks here on the basis of this monetary unit. Although many enterprises have given way," Igor Nikolayevich continued, "the decline in production has constituted only four percent. This is simply explained: There is a shortage of raw material, of that same cotton, or the republics have to be paid for it in finished products, there are no dyes, which were previously purchased overseas...."

"Chisinau is not impeding reform?"

"We have never confused politics with economics," Smirnov replied to the question. "Economic ties have not been severed either with Moldova or other republics. But contradictions.... Yes, there has been and continues to be a banking war. I told Prime Minister Muravski: You will harm us, but you will harm yourselves also—this is what has happened. Nonetheless," Igor Nikolayevich fell to thinking, "without political safeguards no capitalist state will agree to investments and serious deals."

Consequently, in defiance of common sense, what is, for all that, primary here is not the economy but policy, with its present set of priorities: sovereignty of the territory, the official Moldovan language, and advantages primarily for the indigenous inhabitants. Ethnic rights or the rights of a particular Russian-speaking region are not recognized for the inhabitants of the Dniester area (750,000 persons), where the population is made up of 25 percent Russians, 29 percent Ukrainians and, in addition, Bulgarians, Jews, Gypsies, and Moldovans. It has been put clearly and concisely: An economic area cannot lay claim to the status of a republic. Where has the former love gone?

Seven bridges span the Dniester in Moldova. How many times in my journalistic career I have crossed en route from Chisinau the big and handsome bridge beyond which the direct road to Tiraspol begins. I like this bridge and its picturesque banks with their vineyards, which journalists from the FRG compare with the Neckar valleys, where the celebrated Mosel wines are made. The Moldovan beverages are not inferior. And they were drunk, I recall, on both banks, among Russians and Moldovans, "to Bruderschaft" and, simply, from a fullness of life's sensations. I had the constant feeling on this assignment that I was traveling from the "right" bank to the "left." The driver, a Moldovan by nationality, "forcing the river," lifted his hands from the wheel momentarily, raising them in a surge of emotion to the roof of the cab, to God: "People have gone mad. As if a black cat ran between the banks!"

History has changed the signs, as it were. Russians and others have become the national minority. Innocents have come to be guilty of the fact that two centuries ago a community was founded in these parts by Suvorov, a monument to whom stands in Tiraspol, as also of the fact that the descendants of those first soldiers lived in a common Union, not interested in one another's nationality and joining from time to time in common families. In the attempts of judges of various levels to apportion the blame of the "banks," proceeding from the present notions of justice, democracy, and standards and interstate law, it is the left bank which invariably proves extreme today. And the non-Moldovan citizens living in the Dniester region are in possible forecasts being sentenced to a "Karabakh" or to slavery as part of Romania or to expulsion from the disputed territory. Where are the politician Suvorovs?

"We consider human rights to be above all else," Smirnov returned to the thought which had been tormenting him. "Above even the rights of the state. Our opponents are sticking to their guns: no, the rights of the nation come first."

At this point Igor Nikolayevich and I lit up.

And the times! They can, perhaps, be characterized by the well-known formula of Nikolay Berdyayev: "The past is illusory because it no longer exists. The future is illusory because it does not yet exist." Democracy has called "into the saddle" here and there politicians who were not previously involved in politics.

"I did not arrive, I was literally shoved into political life," Smirnov said.

He was shoved, as if "into a dark room".... A mechanical engineer by degree and graduate of the Zaporozhye Machine-Building Institute, he was professionally a manager of the Tiraspol Elektromash Plant. And when he was, on the waves of perestroika, "borne away" among the deputies, when he had been elected chairman of the Tiraspol City Soviet even, then also he sensed a sufficient reserve of life's experience and know how for mastering the new role at the pinnacle of local power. Had the "notorious nationality question" only not intruded upon his chairman's life! "Sovereignty," "official language," national-state self-determination...—even specialists of the Institute of State and Law, from where excited Tiraspol couriers came running—I also conveyed them to the institute—were "all at sea" in the use of these terms in 1989.

"Before this," Igor Nikolayevich recalls, "a political strike rolled through the Dniester region. Everyone said that he was striking against the language. But, no, even at that time people intuitively felt that an explosion of nationalism, which would be followed by diktat and violence, was beginning."

Examining the nature of interethnic conflicts, Arkadiy Popov, employee of the Center for Ethno-Political Studies, suggests three doctrines. **Power right:** "more

powerful nations and states have the 'right' to establish themselves at the expense of the ouster and subordination of their weaker neighbors." **Historical right:** "the owner of the land is the people who first developed it." Finally, the doctrine of legitimate "ethnic right": "the people whose side the constitution and the law are on are right." And where does the Dniester region fit in this scheme? Are its disagreements political, as Chisinau now insistently maintains, or interethnic? I shall quote once again the opinion of a scholar from the center set forth in NEZAVISIMAYA GAZETA: "The former Union republics are now, having become independent, fighting against the separatism of the ethnic minorities in their own state, referring now to their republic constitutions and new laws." Yes, this is, perhaps, precisely the case with Igor Smirnov, the president from the left bank.

"But it could all have been different," Igor Nikolayevich says regretfully.

It could have been. At the end of August 1989 I was, among the few correspondents of central newspapers, accredited to the session of the Moldovan Supreme Soviet which enacted the laws "Return to Moldovan of the Latin Script," "Status of the Official Language of the Moldovan SSR," and "Functioning of Languages on the Territory of the Moldovan SSR." The Dniester region appealed to parliament for political mercy for itself: allow two languages—Russian and Moldovan. It is madness translating from Russian into Moldovan piles of technical information—specialists worried. The language coercion will set the peoples against each other, politicians warned.

Tiraspol went on strike. Mircea Snegur, chairman of the Moldovan SSR Supreme Soviet Presidium at that time, and his team drove there, following the session, as a matter of course. And Arkadiy Khantsevich, with whom I paired reports for KOMSOMOLSKAYA PRAVDA, and I followed the leaders. I observed the actions of Mircea Snegur, present president of the Moldova, at the session and in dialogue with the excited strikers—he is a born politician. He knows how to think and, where necessary, to dissemble and, what is most important, to gain time and bring the conflicting parties, if not to agreement, then to compromise. Both he, Mircea Snegur, and Igor Smirnov were both by the mental force of the court he brought to leadership and both were placed in their presidential chairs also thanks largely to similar circumstances. Then fate separated them as did the banks recording such a choice.

The argument over April 24 demonstrated political circumstances and the events literally up to the final days, calling for a compromise of the disagreements by way of the compromise possible. At the end of March we see a different picture: an "interethnic" and tough Snegur. He—once again the way to the "separatist" Smirnov, to tolerate the "pseudo-state" and place himself in the center of the "autism of the People's Front." And then the attitude of the hand toward the Russians he saw in the "interethnic" "Direct presidential rule

A state of emergency. Disarm the Dniester region! Establish legitimate order! Does human blood no longer embarrass him? Yes, this is a different Mircea Snegur. Insensible? Hardly. The tragedy of many present-day leaders: They are hostages. Some of economic plans, some of political doctrines, some of political groups which have gained a popular public voice. It is not a new situation—the fitness or unfitness of this politician or the other in office is determined by the national idea and its standard-bearers. Moses led the Jews to Israel. Snegur, whether he likes it or not, has to draw close to Romania—it is this that is expected of him. He will gain recognition as people's president "emeritus" if he "pacifies the Russians." Smirnov, if he protects the Russians.

The interethnic conflict in the Dniester region has already negotiated several stages and has developed into the fourth "Dubossary war" in less than the past two years. In March's newsreel: shooting and casualties, supply lines blown up, refugees and people taken hostage, including Lieutenant General Gennadiy Yakovlev, former commander of the 14th Army, who was snatched on the territory of Odessa Oblast.

Is one chastened president worth two unchastened? President Smirnov himself was listed as "missing."

"I was on my way to Kiev to do a little work with the deputies there," Igor Nikolayevich responded to my request that he talk about this fact of his biography. "I was going to see what the attitude toward us of the Ukrainian parliament was, we are neighbors, after all. I had, of course, been warned that people were interested in me. Everything was 'done' at district militia department level. I was detained and taken away for days and was given looks of astonishment: Ukraine knows nothing. Subsequently, true, I found out that Ukraine had apologized."

The president spent several weeks in a special investigation cell of Chisinau prison. His family: his wife, two children, and three granddaughters and one grandson, were going crazy. Given the present dire state of the authorities and laws and, in addition, the wretched financial condition of the press, which could be seized at "for interference in the internal affairs of a sovereign state"—the press was not about to make any noise on Smirnov's account. What did the lawlessness teach Igor Nikolayevich? And the subsequent criminal proceedings which were brought against him by the Chisinau Procuracy? The "lack of respect" for the president's person suggested to him, possibly, the simple piece of wisdom that laws may be assimilated and may be taught this person, that person, and yet a third, but the most important thing, the basis of policy, particularly policy of the "critical period," should be a high moral idea. And then there is nothing to fear, even if the republic is a ship drifting alone.

"Do you not regret the fact that your fate has taken shape in precisely this fashion, Igor Nikolayevich?"

"As they say in Odessa: That's another question. You do what you have to do. The Dniester region has to survive. We have proposed that Moldova turn to a federal arrangement—in that case many disagreements would disappear of their own accord. They refuse categorically. And why? The answer is simple: How can they affiliate themselves with Romania without such a strong, economically developed region as the Dniester area?"

"Will they reunite, what do you think?"

"You would do better asking Snegur," Smirnov advised. Then added: "We are not afraid of Romanization."

"With which side are the army's sympathies?"

"Tiraspol has respected servicemen since the times of Suvorov. Their families live in the city. Unfortunately, the armed forces have not remained under the unified command of the CIS. We are worried also that the material resources of the 14th Army are surreptitiously being pulled over to the other bank. Since things are moving in the direction of the creation of particular national armies, we have been forced to take steps in response also."

"And...?"

"We will defend our independence to the end."

Who makes the victor foolish, the vanquished, spiteful. Fortunately, there is in the confrontation of the two banks a situation of stalemate as yet. As yet. The amount of blood which will be shed on both banks, the number of wounded, crippled, and refugees—all this largely comes down to the role of the individual in history. Will the presidents sleep well or badly this night? How will they take the reaction of the streets of Chisinau and Tiraspol? What kind of order "for Dubossary" will one give, and how will the other build defenses. Interethnic conflicts rarely are either insoluble altogether or barely soluble. World science maintains. And it recommends the "intercession" of a third party. UN forces, for example.

"I asked Yeltsin to send us permanent observers," Smirnov told me. "And, nothing."

Great Russia has become silent and "assiduously" demurely, as if failing to notice that Russians and Moldovans are dying on the Dniester. It could be maintained that all Moscow's indecisiveness which had driven the negotiating processes and a peaceful settlement in the Dniester region to a state of impasse. And then suddenly! Of course, we had long been expecting a balanced step from Yeltsin also. And here by his decree on the transfer of the 14th Army to the jurisdiction of Russia the president of the Russian Federation cooled, as it were, the militant ardor of those who were dreaming of destroying at a stroke the combat hardware located on the left bank against the Dniester region. It is a position, for all that.

But in defiance of it Foreign Minister A. Kozyrev, well known for his attachment to the distribution of Russian

territory which does not adhere directly to it, has once again acted the part of dubious peacemaker. An announcement filtered into the press almost unnoticed. "The four foreign ministers of Russia, Moldova, Ukraine, and Romania recently signed a declaration in Helsinki. A principal component of a peaceful settlement of the conflict in Moldova, in the ministers' opinion, should be the disarmament of the illegal formations. It is proposed... restoring legitimate authority in the Dniester region." Snegur should be grateful to Kozyrev: It is he who has largely untied his hands on behalf of Russia for a new offensive against the left bank.

"And is a Karabakh' expected here?" I asked Smirnov.

"I do not think so....," the president shook his head.

I would not like to think so. The peoples would not forgive Yeltsin or Kravchuk or Shushkevich were they by their position of studied nonintervention to permit the Dniester region to end up in the fire of a bloody war. In that case it could not be ruled out that a "Karabakh" or rather, a "Spain" would appear on the map of the CIS. No borders would hold back the Cossacks, the military, simply patriots prepared to defend their compatriots in an armed struggle.

No, Snegur does not have the easiest of positions: He wants to be decisive at home and has to appear to be a civilized president in the eyes of the world at large. But these things are hard to combine, if such a fundamental concept as human rights is expunged from the category of freedom. It is the same as throwing out the baby with the bathwater. And the West has already noticed. "Chisinau must know, for example, about the experience of the FRG or other federations of Europe," Radio Liberty broadcast, "which, while having granted the lands autonomy, remain unified states and are, generally, flourishing. Of course it knows. But it knows also about the prospect of the rapid reunification of Moldova and Romania and is for this reason afraid to grant the Dniester region if only some form of statehood. For in this case," Liberty goes on, "the Dniester region autonomy would upon reunification with Romania undoubtedly once again raise the question of its independence, referring entirely justifiably to its historical past. It has never been a part of Romania."

Nor are things any easier for Smirnov, who is not about to lead "his people" from their permanent place of residence anywhere. Nor is there anywhere to lead them. Igor Nikolayevich is probably sleeping badly at night. On the other hand snipers from the right bank, having rested up by morning, are now constantly "picking off someone or other on the left bank, like excited hunters. They will answer also."

So "the guns have spoken"—and enough is enough, it is once again the turn of the politicians: Neither cautiousness nor "indolence" nor references to the difficult circumstances will absolve them of blame. For the Dniester region is on fire.

Moldova Seen as Potential 'Second Yugoslavia'

92UN1051A Moscow, NEZAVISIMAYA GAZETA in Russian 24 Mar 92, p. 4

[Article by I. Rotar: "Cossacks on the Dniester. A New War in Old Europe."]

[Text]The current armistice in the Dniester region is considered a temporary respite by practically all politicians and independent observers. The relative calm will inevitably turn into a new bloody flare-up. The war "of two banks," that has already lasted almost three years, entered a new stage: the possibility that a "second Yugoslavia" may appear in Europe has become critically high.

Such a pessimistic forecast is explained by the following thoughts: the outcome of the conflict on the Dniester depends increasingly less on steps undertaken by Chisinau and Tiraspol—intervention of political forces from states bordering on Moldova may take the initially localized conflict beyond the boundaries of one republic.

Appearance of militarized Cossack units, fighting on the side of the Dniester Moldovan Republic, is a harbinger of the new stage in the civil war in Moldova. The involvement of Cossacks in the conflict is explained as follows by Viktor Ratiyev, field ataman of the Don Cossack Troop: "The territory of the Dniester region has been populated since time immemorial by Slavs. When the Moldavian ASSR was formed here in 1924, the share of Moldavians in it did not exceed 30 percent. It is also necessary to remember that this land belonged to the Black Sea Cossacks. Today, at the request of the residents of the Dniester region we are defending indignously Russian territories."

Agreeing to accept help from the Cossacks the government of the PMR [Dniester Moldovan Republic] found itself in a sufficiently ticklish position. The situation in which the leaders of the Dniester region found themselves is reminiscent of the fairy tale about a fisherman who let a genie escape. (of course, the fisherman did not know how to get it back inside again.) Thus, the first days of their presence in Levoberezh'ye, the Cossacks established themselves as a formidable force whose opinion must be heeded. The situation is complicated by the fact that a significant part of the Dniester region residents tend to believe that the PMR government quite often displays excessive softness toward Chisinau. The great popularity of volunteers from Russia among residents of the Dniester region and their uncompromising attitude toward the enemy, make it possible to assume that, if Tiraspol does not manifest necessary firmness, the Cossacks might decide to defend the interests of blood brothers

independently. It is also impossible to know the reaction of the well-armed Cossack hordes in a decisive frame of mind, to a decision of the President of the Ukraine denying passage by Cossack volunteers through its territory.

The "Cossack precedent" did not remain unnoticed. As already mentioned by the NEZAVISIMAYA GAZETA, the political spectrum of Russian volunteer formations fighting on the side of the Dniester region within a very short time could become more varied. Receiving a blessing from Viktor Anpilov the first party of "communist" volunteers arrived at Tiraspol. The appeal from Aleksandr Nevzorov did not remain unheard either. Russians, far removed from politics, are also planning to serve in the Dniester region guards on a contract basis. According to reports from unofficial but well-informed sources, Tiraspol is concerned by the appearance of new volunteers from Russia. The assistance of "Anpilov followers" will produce fresh accusations against the PMR for adherence to communist ideals. Also the appearance of those seeking romance and profit may sharply increase the probability of anarchy on the territory of the unrecognized republic. But no matter how Tiraspol reacts to the arrival of new guests, it is too late to retreat: refusal to accept volunteers would bring about a sharp counteraction from the Dniester region residents.

Those on the other side of the Dniester and even the Prut, naturally, are also not sparing in their appeals to help the blood brothers. Proponents of a greater indivisible Romania were sharply activated both in Chisinau and in Bucharest. Even President of Moldova Mircea Snegur, known for his caution, was compelled to state that in the situation that has formed, Moldova, as a UN member, has the right to seek international support, including that of Romania.

It is likewise important not to forget about certain facets of big-scale politics. With an unstable domestic situation and unsuccessful military actions power frequently shifts to a smaller but an active political force. (Let us recall the recent resignation of the President of Azerbaijan Ayaz Muttalibov, whom the opposition accused of excessive softness in dealing with the Karabakh problem.)

Supporting unification with Romania the Moldavian People's Front is not enjoying the support of the majority of the population of the republic. The indisputable victory of Mircea Snegur, a proponent of Moldovan independence, is convincing proof of that. But the new twist in the Dniester region conflict adds to the confidence of supporters of Greater Romania from both "banks" of the Prut River.

TAJIKISTAN

Persian Handwriting Book Published in Tajikistan

92150768Z Tehran RESALAT in Persian 5 Feb 92 p 5

[Text] Tehran. IRNA. The Republic of Tajikistan has recently published an instructional book on Persian handwriting with a view to replacing the Russian alphabet with the Persian alphabet.

According to a report by Radio Doshanbeh, this book includes 12 lessons explaining Persian dictation rules for students.

TURKMENISTAN

Decree on First Quarter State Budget

92SD03074 Ashkhabad TURKMENSKAYA ISKRA in Russian 3 Feb 92 pp 1-2

[Decree of the President of Turkmenistan: On the Turkmenistan State Budget for 1st Quarter 1992" No. 990 dated 31 January 1992, Ashkhabad: "Decree of President S.A. Niyazov Approves the State Budget of Turkmenistan for 1st Quarter of 1992 Totalling 8,970,750,000 Rubles"]

[Text]

1. The Turkmenistan State Budget for the 1st Quarter of 1992, with revenues and expenditures totalling 8,970,750,000 rubles [R], is hereby approved.

The Turkmenistan Centralized Budget for the 1st Quarter of 1992, with revenues and expenditures totalling R8,734,811,000, is hereby approved.

3. It is hereby established that Turkmenistan Centralized Budget revenues shall be received from the following sources:

- a portion of value added tax;
- a portion of profit taxes on enterprises, associations, and organizations, except those which are components of a local economy;
- fixed-rate payment by the Turkmenagroprompere-rabotka [Turkmenistan Agro-Industrial Processing] Republic PO [production association];
- excise taxes on liquor, motor vehicle gasoline, and other high-demand items.

4. Revenues in the following amounts from various sources into the Turkmenistan Central Budget should be expended:

	(In thousands of rubles)
Profit Taxes on Enterprises, Associations and Organizations	760,934
Value Added Tax	1,404,850

Fixed-Rate Payments—Total	5,558,751
Including:	
Gas	4,971,451
Cotton Fiber	587,300
Excise Taxes	250,250

5. The Turkmengazprom [Turkmenistan Gas Industry] State Corporation and the Turkmenagroprompere-rabotka Republic PO shall ensure full payment of these fixed-rate payments.

6. Ministries, agencies, enterprises, and organizations (except budgetary ones) shall be required to ensure payment into the budget of sums saved by reducing their apparatus in accordance with Turkmenistan Presidential Ukase No. 534, dated 9 January 1992.

7. It is hereby established that during the first quarter of 1992 the Turkmenistan Centralized Budget shall be allocated to cover expenditures connected with provision of public necessities, implementation of social programs, creation of essential financial reserves, and financing for expenditures of a military nature.

8. The following allocations shall be made out of the Turkmenistan Centralized Budget for the first quarter of 1992:

	(In thousands of rubles)
To Finance the Economy—Total	4,232,961
Including:	
Capital Construction Financing—Total	968,600
Including—1991 Loan Amortization	300,000
Price Equalization Payments for:	
a) Food	2,796,530
b) Medicine	7,435
Financing of Social and Cultural Events—Total	1,720,094
Including:	
Public Education and Vocational Training	450,658
Health Care and Physical Culture	124,278
Social Security	1,013,676
Maintenance of Organs of State Authority and Administration	55,816
Maintenance of Law Enforcement Organs	92,659
Formation of the Turkmenistan Government Reserve Fund	47,700
Formation of an Emergency Fund	250,000

9. The Turkmenistan Ministry of Finances shall be instructed to report to ministries and agencies within one week's time the sum of their mutual accounts with the Turkmenistan Centralized Budget in the first quarter of 1992.

10. It is hereby established that in the first quarter of 1992

a. financing of expenditures by ministries and agencies out of the Turkmenistan Centralized Budget, with the exception of expenditures for wages, stipends, benefits, food, medicine, heating, and lighting, shall be carried out within the limits of actual revenues received;

b. financing of centralized capital investments shall be conducted once a month based on the actual percentages of project completion. Payment for work done on projects in excess of plan goals shall be made using the contractors' own funds or bank loans;

c. compensation for price differences shall be made for the products listed in Appendix 1, which is attached to the present resolution.

11. It is hereby established that additional expenses which may arise in during the first quarter in connection with higher procurement prices for agricultural production and exemption of kolkhozes and sovkhoses from payment of profit taxes shall be covered with the agro-industrial complex's own funds.

12. Ministries and agencies are permitted to make allocations during the first quarter of 1992 for the organs of state authority and administration and the law enforcement organs listed in Appendix 2

13. The list of unprofitable state enterprises for the first quarter of 1992 shall be approved in accordance with the list in Appendix 3

The executive organs of local soviets of people's deputies shall be instructed to approve a similar list of municipally owned enterprise

It is hereby established that creation of economic incentive funds at enterprises which are unprofitable by plan shall be made at their own expense and within the limits of the funds allocated to cover their losses

14. It is hereby established that during the first quarter of 1992 profit taxes shall be paid into the budgets of oblasts, the city of Bezmein, and rayons under state subordination at a rate of 17 percent, and into the Ashkhabad city budget at a rate of 4 percent

Value added tax shall be paid into the budgets of oblasts, the city of Bezmein, and rayons under state subordination at a rate of 17 percent of the sum of value added tax.

Value added tax on liquor production and the wine industry shall be paid into the Turkmenistan Centralized Budget in full

15. A total of R687,491,000 shall be allocated from the Turkmenistan Centralized Budget as subventions to the budgets of oblasts, the city of Bezmein, and rayons under state subordination for the purposes of equalizing their levels of social provision. Those allocations will include:

Balkan Oblast	R66,343,000
Mary Oblast	R131,881,000
Tashauz Oblast	R241,458,000
Chardzhou Oblast	R129,239,000
City of Bezmein	R3,881,000
Ashkhabadskiy Rayon	R23,743,000
Bakhardenskiy Rayon	R17,821,000
Geok-Tepinskiy Rayon	R19,845,000
Kaakhkinskiy Rayon	R4,301,000
Kirovskiy Rayon	R12,396,000
Serakhskiy Rayon	R13,119,000
Tedzhenskiy Rayon	R23,464,000

It is hereby established that these subventions shall be used strictly according to the purposes for which they are intended and in accordance with a procedure to be determined by the Turkmenistan Ministry of Finance

16. Local soviets of people's deputies shall be instructed to allocate budget funds remaining in local soviet budgets as of 1 January 1992 to finance planned expenditures for the first quarter of 1992. The Turkmenistan Ministry of Finance shall specify the amounts of subventions for the aforementioned sums.

17. A circulating cash capital of R50,000,000 shall be established for the Turkmenistan Centralized Budget

The executive organs of local soviets of people's deputies shall increase their cash circulating capital by a factor of 2.9 as compared to their amounts of cash circulating capital in 1991, using funds remaining in local budgets as of 1 January 1992 for that purpose.

[Signed] S. Niyazov, president of Turkmenistan

Appendix No. 1 to Turkmenistan Presidential Ukase No. 590, 31 January 1992

List of Products To Be Sold on the Domestic Market At State-Regulated Prices for Which State Subsidies Are Provided

Meat and semiprocessed meat products
boiled sausage
milk, curds, and fermented dairy products
children's food items, including food concentrates
butter
flour
bread
bakery, pasta, and confectionery items
combined fodder
tea
sugar

Jan-Feb Economic Figures Reviewed

92US0371A Ashkhabad TURKMENSKAYA ISKRA
in Russian 18 Mar 92 p 1

[Report from Turkmen State Committee for Statistics under the rubric "Economic Survey": "Results of the National Economy of Turkmenistan in January-February of 1992"]

[Text] The results of the first two months of 1992 testify to a drop in social production—a decline in the rate of national income, the production volume of industrial and agricultural output, freight-handling operations, retail goods turnover and paid services to the population—as a result of worsening interregional and inter-sector economic ties among the member countries of the CIS [Commonwealth of Independent States] and the Baltic nations. The socio-economic development of Turkmenistan is described by the following economic indicators.

Industrial output of 12.9 billion rubles was produced in January and February of 1992, but that is 3.4 percent less (in comparable prices) than in January-February of 1991.

A drop in the volume of industrial production occurred in almost one out of every two enterprises in the sector. The production volume of 77 of the 135 most important types of products has declined compared to January-February of last year.

Nine enterprises achieved a rise in contract discipline over this period (last year there were 22).

The extraction enterprises in the fuel-and-power complex produced 13.9 billion cubic meters of gas and 890,300 tonnes of oil, including gas condensate, in January-February.

The production of electric power was 2.9 billion kWh [kilowatt-hours], which was 0.9 percent higher than the corresponding period of last year.

The overall production volume at enterprises in the complex declined by 2.5 percent, or 147.5 million rubles. A large reduction in the volume of commodity output occurred at the Achakgazdobycha gas-field enterprise.

The volume of commodity output at machine-building enterprises increased by 11.8 percent, but a drop in production was observed for the majority of the principal types of products. One out of three enterprises had a reduction in the volume of commodity output.

The output of diesel fuel, boiler fuel oil, petroleum and shale cokes, mineral fertilizers, sodium sulfate, bromine and bischofite was increased in the chemical and timber complex. The overall volume of industrial production nonetheless declined by 3.1 percent across the sector overall, or at one out of every two enterprises.

The enterprises of the construction industry reduced the production of most types of products. The volume of

commodity output increased by 16.9 percent at Minstroyaterialov [Ministry of Building Materials] and 7.2 percent at Minvodkhoz [Ministry of Land Reclamation and Water Resources], but declined by 0.8 percent at Minstroy [Ministry of Construction].

The output of cement, building brick, prefabricated reinforced-concrete structural elements and items, asbestos-cement pipe, rockwool and other items all declined.

Consumer goods worth 1983.9 million rubles were produced in January-February of this year, which is nine percent less than for the same period of 1991. The production of 40 of the 67 most important types of consumer goods declined compared to the corresponding prior-year period. All of this is creating acute tension in the consumer market and unsteady provision of the population with goods of prime necessity.

The situation is not improving with the supply of foodstuffs to the market. The production of all the principal types of foodstuffs except bread, baked goods and pastas, groats and rice has declined. The production of alcoholic beverages declined by 21.6 percent.

The volume of retail turnover in state and cooperative trade was 1639.3 million rubles in January-February of 1992, an increase of 972.6 million rubles versus January-February of last year, as a result of the rise in prices. Its physical volume is 63 percent below the level of January-February 1991.

The scarcity of goods for cultural, domestic and business purposes, along with building materials, became even more acute.

Some 186.7 million rubles of paid services were sold over January and February; their volume increased by 2.5 times in real prices compared to the same period for 1991, while the physical volume of the paid services declined sharply.

The absence of a commodity mass has led to the formation of monetary reserves among the population—some 328.4 million rubles were attracted in deposits to the Savings Bank of Turkmenistan over this period.

Work is being carried out at kolkhozes and sovkhoses connected with the sowing campaign. Due to shortfalls in the supply of materials and equipment and the impossibility of performing timely repairs and the preventive maintenance associated with it, however, a considerable portion of the equipment has not been made ready. The level of readiness of tractors remains low in Balkan Oblast, as it does for trucks in Tashauz Oblast and Kaakhkinskiy Rayon and tractor sowing machinery in Kaakhkinskiy and Bakhardenskiy rayons.

Some 945 tonnes of meat (in live weight), 27,200 tonnes of milk and 26.2 million eggs were produced at kolkhozes, sovkhoses and interfarm enterprises. A decline in meat production occurred in all oblasts and regions under state subordination.

Some 967.3 million rubles of state capital investment were expended in January-February of this year, including 501.9 million rubles for construction and installation work.

Some 50 of the most important construction sites and facilities were included in the state order list for 1992. Some 40.4 million rubles were expended at them over the two months.

A total area of 1,368 square meters of space was put into service in residential buildings through state capital investment.

The yearly allocation of state capital investment was utilized for the construction of 139.1 million rubles of residential buildings, 34.8 million of elementary schools, 11.4 million of children's pre-school institutions, 4.5 million for clubs and cultural halls and 27.6 million for hospitals and polyclinics.

General-purpose transport shipped 13.3 million tonnes of freight in January-February, which was 17.3 percent below the level of January-February for the prior year. The freight-shipment plan was 106.6-percent fulfilled by rail transport, 100.3 percent by trucking, 119.4 percent by internal water shipment, 90.9 percent by aviation and 102.6 percent by pipeline.

AZERBAIJAN

Mamedov on Republic Army, NKAO, External Relations

92US0384A Baku BAKINSKIY RABOCHIIY in Russian
18 Mar 92 pp 1-2

[Interview with Yagub Mamedov, chairman of the Supreme Soviet of the Azerbaijan Republic, by Azerbaijan Television correspondent Sabir Aleskerov. "We Need Discipline, Law and Order, and Unity!", broadcast on Azerbaijan Television 14 March]

[Text] [Aleskerov] Dear Yagub (muallim!) Azerbaijan Television is interviewing you for the first time as chairman of the Supreme Soviet. In such cases it is customary to begin with congratulations—you have just assumed the duties of this important office, after all. And at a time that is very difficult for all of us. A time when the fate of our people and our land is being decided. And I do not know whether to begin our conversation with congratulations or to go right away to our questions.

[Mamedov] There are no grounds for congratulations. It is better if we discuss our problems and express our opinion on ways of getting out of the situation that has developed. In a word, let us go directly to the matters at hand.

[Aleskerov] The social and political situation in the republic is now the center of attention for the press, radio and television, as well as the world press. What can you tell us in this connection?

[Mamedov] The situation in the republic today is much worse than they are describing it. Because I have been among the people and followed press reports and television broadcasts. I have been aware of the extremely difficult situation in the republic, of course. But right after I was elected to this position 5 or 6 days ago, I familiarized myself with the situation even more closely, and I realized that the conditions are much worse, much more dismaying, than we had assumed. Think of it: we have gotten into an absolutely hopeless situation after all. And the tension is growing every day. The problems are multiplying from day to day. The enemy is becoming more and more frenzied. The people are being subjected to a bitter experience: famine, crime, and plunder. What is the cause of this severe crisis? One of the causes is the conflict—or more accurately, the war—in Nagorno-Karabakh. But there are other causes as well—ones that are invisible, more incurable, more painful. The fact that we are unable to extinguish the Nagorno-Karabakh volcano which has been erupting for about 5 years is also a result of these invisible causes.

There are also processes which depend on us, that is, ones which are taking place in the republic. But there are also processes which have been conceived and planned, ruthlessly and treacherously, outside our republic (and not so far away).

[Aleskerov] They often speak about ways to get out of the situation from the tribune of the National Council. This problem, if we look at it more closely, has a thousand and one possible solutions. I would like you to put the most important aspects in the foreground.

[Mamedov] In order for a doctor to provide correct treatment, he must establish the cause of an illness. So we should speak to the people honestly about the cause of the situation that has developed. I want us to tell the people everything as it is. The republic is faced with the danger of breaking into pieces today—into separate regions, cities and so forth. But at the same time, there are forces which are not concerned about anything, not the wounds inflicted on our native land, nor national unity, nor the moans of our infants, nor the infringement upon our freedom. Forces such as these hold leading positions in the republic today. Unfortunately. And the worst part is that in these forces these forces are very strong. Their representatives are prepared even to step over their own people for the sake of their political career and annihilation of thousands of people is nothing for them. I thought that after the events in Armenia and the Shakhidzhan massacre in 1990, this worst tragedy in the region—everyone would ponder this, come to their senses, say "enough," and put an end to their provocations and thoughtless actions. However, in all probability what happened meant very little to them. This is quite is true. The previous slogans are being heard and the same provocations are being undertaken once again. I do not wish to give any names. In a word, the unscrupulous deeds which began in 1988 are being performed today in a more serious and extreme form. The people themselves must expose this. The people themselves must know what is really going on and what the enemy.

The people are very familiar with the enemies in the country. They outline two main centers and the different shape of the structures. They have admitted the people surrounding the former leaders who are surrounding the leaders of today—and their instigators. The people know themselves. But the international forces, the ones who start from within are worse. And they all speak in behalf of the people, they all want to take them—only pretend to be protectors of the honor of the people, and almost hand over the keys to the national wealth and a better life for the people, supposedly. But the fog which they have introduced has external enemies quickly dissipating. The people are waiting for a concrete solution to the Nagorno-Karabakh problem and specific ways of getting out of the current crisis. They are demanding about discipline and peace, not about the "romantic" statements to and on television. When the participants interrupt each other, not the Nagorno-Karabakh meetings or projects when the system does not work. The situation unfortunately arises why there are in the national houses, which are suffering enormous impoverished youths and sending them off to war against a violent enemy, not against. Why having experienced even in the last our people, land from the enemy, this far?

Speaking in words of unity, why are they constantly wrangling and setting up parties that are ideologically opposed to each other, and doing everything as if they want to confuse the people? In their words, they say they "do not need posts," and they say they will consider anyone who holds a leadership position to be a traitor. But in reality, try to drag them away from the government buildings! But if any problem arises, they remember the people once again. Just what kind of unity is this? These are the most nightmarish games, hidden from view.

I began work just a week ago, and pressure is already being brought to bear on me from all sides. In all probability, my election was unexpected by some persons. Though when I was on my way to the Extraordinary Session, I myself did not expect to be elected chairman of the Supreme Soviet, that the president would be retired, and that under the Constitution, this heavy burden would lie on my shoulders. But I have never been afraid of difficulties or work, and if my nation needs my labor and my abilities, and even my life, to liberate it from this misfortune, I am prepared to give them. I want to help my nation get out of this catastrophic situation, this calamity. But I am encountering much pressure and many obstacles on my path, unfortunately. I want to tell my people: it is time to come to our senses. Every person who loves Azerbaijan and calls himself an Azerbaijani, every person with Azerbaijani blood in his veins, should think about this. This is precisely how I would like to answer your question.

[Aleskerov] There have been many conversations, arguments, and discussions about the formation of an Azerbaijan national army. What is your view on this? To what extent is establishment of a national army practical?

[Mamedov] This question is related to my response to your previous question. The problems surrounding establishment of a national army will exist while there are persons whose interests lie in maintaining a tense social and political situation in the republic. In adopting the Constitutional Law 5 or 6 months ago, the Supreme Soviet reviewed the question of establishing an army and passed a decree on it. But a national army has not been formed to date, and we have one only on paper. And this was prevented not by the intrigues of foreign enemies, but internal dissension and contradictions. Let us call things by their correct names. I am telling you with full responsibility that we are now taking the first concrete steps toward the establishment of a national army, we are undertaking specific measures, we have issued the Decree on Mobilization, and we will be calling up persons for the army. But formation of a national army is not completed by announcing mobilization. We have no officers, or base, or military provisions, or military equipment—production of it has not been started.

I also consider it my duty to inform the nation that casual individuals who do not realize the responsibility for forming an army and who declare mobilization in

their own name, providing a specific address for muster, and calling for the formation of armed detachments made up of inexperienced youths, do not understand where this can lead. It is terrible to think what we can expect if everyone in Azerbaijan who wants to do so assembles such "national armies" of 300 to 500 persons around him. Let our young people hear these words of mine, too. It is not hard to imagine what the dissociated activity of such armed detachments may lead to... We cannot permit this, by any means!

[Aleskerov] This is the fifth year that a war has been waged and blood has been spilled on Azerbaijan's land. Not counting our misfortunes and tragedies. The bloody Khodzhalı tragedy was the worst in the 20th century. But now Agdam is burning, and the frenzied enemy is breaking out toward the low-lying part of Karabakh. The enemy has had a taste of blood and has been driven mad. In your view, when will this carnage, this genocide, be stopped?

[Mamedov] The fact that concerns me the most is that we do not have sufficient forces. And our enemies realize that we are not unified and we are tearing each other to pieces from within, and they do not want to miss their chance. This is why I say that every person to whom the nation's honor is precious should think first of all about his Motherland, its integrity, and its dignity. We urgently need to form a national army, arm it technically, and begin production of military equipment. Together with this we have to begin political negotiations, bring about a cease-fire, and strengthen our defense, and we cannot allow ourselves to make mistakes.

[Aleskerov] In your television address to the nation, you stated that a war is under way on our land and each one of us must live by its rules. Aren't we behind schedule with steps in this direction?

[Mamedov] Yes, I said in my address that a war is under way on our land and we have to live by its rules. But unfortunately, when the war is going on in Karabakh and blood is being spilled on the borders, this is not being felt at all in a number of other regions in the republic. War has very strict rules: "Everything for the front, everything for victory." But in some of our regions and cities every person is concerned with his own affairs, lively speculation is in progress, prices in the bazaar are inflated, we are suffocating in the clutches of plunder and crime, and discipline has come to naught at enterprises and in educational institutions. And as a result, a critical situation has developed in the republic. The worst aspect is that social tranquility is not being protected. Look at the armed individuals walking about the streets at night. Listen to the shots. Weapons are not needed here, in our capital, but in Karabakh. The most urgent steps must be taken. In this connection, the necessary instructions have been given to administrative organs. Persons have to be called to account for possession of illegal weapons. It is essential that the purpose of possessing arms be disclosed. The first decree I signed

after coming to office dealt with the actions of law enforcement organs in connection with illegal possession of weapons.

[Aleskerov] The republic has been enveloped by the economic crisis. People are being affected by the high prices and shortages. We realize that there has also been an increase in crime. People are afraid to go into the city after dark. It is as if there has been less light in Baku. What is your view on this?

[Mamedov] Our republic's economy is in a state of deep crisis. The other day I held a conference with ministry leaders responsible for the republic's economic situation. No one has concerned himself with this in recent years, we may say. I listened to a report from the Ministry of Grain Products. They said that they had 2 or 3 days of flour left and grain for a week. This is a nightmare, you know! I raised the question pointblank: we have to mobilize all internal reserves, because the people should not experience hardship with respect to food. The nation must be rescued from plunder. How can it be that they sell butter at 200 rubles [R] per kilogram in the bazaar, but people cannot be supplied with food coupons for January? We should supply the public with foodstuffs. Food should be more accessible during the holidays. Azerbaijan is a rich republic. Instead of directing its natural resources, agricultural products, and oil for scientific and technical progress, to build factories and plants, and to purchase new technology, we are actually bartering it at low prices in the foreign market in exchange for food and low-quality industrial commodities. The trouble is that this question has been so entangled that it is impossible to say which organization is engaged in this.

[Aleskerov] The independent Republic of Azerbaijan has been recognized by about 100 countries. Azerbaijan was recently admitted to the United Nations. This is a source of pride for each one of us, of course. How do you see Azerbaijan's future in the world community?

[Mamedov] My greatest and most cherished dream has been to see Azerbaijan an independent state. History has granted this to us, although certain sociopolitical organizations are attributing this credit to themselves. But I believe this is a historical inevitability. Freedom was granted to us by Allah. If the USSR had not collapsed, we would not have achieved independence so quickly or so easily. But I should also say that fighters were also following this path, that many of them paid with their lives, and that they sacrificed for the sake of their nation's independence. I bow to their memory, and I want to see that we make use of the freedom that was won sensibly and wisely, in conformity with the rules adopted in world practice. We have to make sure that no more errors or new casualties are permitted on our way to full independence. We have had enough of them!

[Aleskerov] How are our relationships with neighboring states being developed?

[Mamedov] As far as the neighboring states are concerned, I think we will have to expand ties with Russia, Iran, and Turkey. I consider our main task to be maintaining good relations with these three states. And we have to develop this friendship and cooperate with our neighbors. This is essential first of all if we intend to make our words heard in the world community. After my election as chairman of the Supreme Soviet, I spoke on the telephone twice with Turkish President Turgut Ozal, Turkish Prime Minister Suleyman Demirel, and Iranian leaders. Inasmuch as I have not managed to get in touch with B. Yeltsin recently, I talked on the telephone with other Russian leaders, as well as Ukrainian President I. Kravchuk, and I had meetings with military people. We exchange views on the state of affairs every day with neighboring republics. I believe this is the way it should be.

As far as Azerbaijan's foreign policy is concerned, we have to establish close cooperation in the field of politics, economics, culture, education, and commerce not only with the states named, but with all states in the world. Azerbaijan's foreign policy is based on neutrality, nonalignment with blocs, and the absence of aggressive intentions toward any state.

[Aleskerov] What is your view on the Commonwealth of Independent States [CIS]? What do you think about the independent states' armies being subordinate to a unified command? I am referring primarily to our republic, of course.

[Mamedov] I informed the press of my views on this matter even before I was elected to my current position. I would not want the Azerbaijani nation to be part of some bloc or community similar to the former USSR. I am an advocate of full independence for Azerbaijan. But strategy and tactics exist, and there are short-term and long-range goals. And we must keep this in mind. We have to develop our work wisely. The CIS emerged from republics in the former USSR. Our previous leaders took part in this Commonwealth and signed certain agreements. The disagreements between the former president and the National Council also touched on this matter. We have to build relationships with the CIS sensibly and take into account the experience of other states that have been in a situation similar to ours. After all, it is something how you think personally, but it is another thing when you have to take a step which the fate of an entire nation depends on. We must proceed on the basis of what this step will give the nation. I believe that the Supreme Soviet, after reviewing this matter in the very near future, will make a well-considered decision and express its own opinion.

My attitude toward the army is very different. I want to state openly, whether it is the army of the CIS or the army of the USSR, if it provides for the security of our nation and the inviolability of our borders in performing its constitutional duty, I would have one attitude. As a principle, I am an advocate of respect for the army. After all, it is not at fault for holding one position or another.

The policy of a state's leaders and the decisions made at the state level are carried out by the army.

As a citizen of Azerbaijan and as chairman of the Supreme Soviet of the Azerbaijan Republic, I can say today that the independent Azerbaijan Republic should have an independent army... But it does not follow by any means that we should have a negative attitude toward an army of the CIS which is stationed in our territory. We should hold talks with its representatives, as they are doing in Ukraine and other republics, and treat them with respect. In a word, so as not to make the army an enemy to us, but to others. I believe that my nation should have an attitude such as this toward an army.

In general, of course, who would want an army of other countries on the territory of his independent state... But I think everything will be put in its place in the very near future.

[Aleskerov] As we mentioned, we have enough grief. One more problem has been added to the refugees' troubles—the wounded. They require a tremendous amount of care and attention. What should we do to lessen the grief of our half-brothers and half-sisters, if only a little, to console them? What is being done to care for them?

[Mamedov] This is our deepest sorrow. There is nothing worse in the world than becoming a refugee on one's own land. As far as the wounded are concerned, I visited a hospital the other day. The difficult plight of the people frozen in the forests during the Khodzhalı tragedy and our sisters, brothers, and children brutally maimed by the Armenians affected me very deeply as a person. I have also witnessed the tremendous amount of attention and care given to them by our selfless medical workers and our kind people. They have always extended their hands to those who have experienced misfortune and shared their last piece [of bread] with those in difficulty. As chairman of the Supreme Soviet, I have issued a directive for the Ministry of Public Health to ensure that they are treated by highly skilled professionals and given the appropriate medications. The necessary steps have been taken to provide special conditions for feeding the refugees, who were in the forests without food or water for many days. I am confident that the wounded will recover in the very near future and return to their families. We will do everything in our power to see that they live on their lands. I give my word that the refugee problem will be resolved in the very near future. That is our civic duty. Yes, Karabakh is the source of our greatest sorrow. The Khodzhalı wound will never heal; it will hurt and ache. We are very familiar with some of the persons who have this on their conscience.

How can it be that when Khodzhalı was under siege for 4 months, the 4 months when they had no flour, the Azerbaijani nation did not extend the hand of aid to them? Where was the caravan of help for Karabakh from all of us, from the entire Azerbaijani nation? Why

weren't the women and children taken out of the encirclement in time? Who purposely put our mothers and sisters, our children, in the hands of these savages? Who can be given peace by the spirit of those two infants whose corpses were taken out of Khodzhalı with such difficulty? The blood shed by Khodzhalı victims will not be forgotten. A commission of deputies has been formed in the Supreme Soviet to shed light on all these matters. It will expose all the guilty parties in the Khodzhalı tragedy, and I will report on this to my people.

[Alekserov] They say that everything is decided by the personnel. It was that way yesterday, it is that way today, and it will be the same tomorrow. The personnel question has been a sore point in Azerbaijan from time to time. But the years pass and lessons are not learned from our mistakes. What do you think is needed to put the situation in order? What do you see as the ways to radically improve personnel policy in the republic? Can this problem be solved, in your opinion?

[Mamedov] I believe that there are no problems that cannot be resolved, generally speaking. All problems should be resolved. If we solve the personnel problem correctly, other problems may be resolved in the very near future, too. For the moment, the person managing personnel affairs should put everything else aside. We have enough localism, nepotism, clannishness, and nepotism. If you only know how many rumors there have been about this person, and how much pressure has been brought to bear on it. But if the people entrust me with this matter, I will be exacting toward those who are allowing this. There is one criterion in personnel policy—the employee's businesslike efficiency, his professionalism, his love for his Motherland, love for his people, and the absence of a mercenary spirit in his actions. If we permit errors in personnel policy once again, history will not forgive us. For our future depends on personnel selection and placement.

[Aleskerov] You are in a position that you are holding such an important position at such a difficult time, under these conditions.

[Mamedov] You probably recall how this historic session took place. I reiterate that this was very unexpected for me, and I had other vital interests. But I am not afraid of difficulties and struggle. Because I have something to say to my people and I am facing them with clean hands; I can look them straight in the eye and say everything openly. This gives me the grounds to state decisively that I will not spare my energies, my efforts, and my resolution to cope with it. Yes, some of my opponents are already accusing me of indecision, although only a few days have passed since I began working. I will prove to them that I am a person of principle and decision. Pressure has never and will never divert me from my course. I have to serve my nation and I will do it with honor.

[Aleskerov] We have many problems. I would particularly like to hear your views for the people.

[Mamedov] I am grateful to my people. I feel their support every minute. Hundreds of telegrams are coming in from various organizations, from the intelligentsia, students, and doctors; I am receiving telephone calls from ordinary people. This inspires me. With all my heart, I will do everything within my power to bring my nation out of this difficult situation so that it can begin living in happiness, sufficiency, and peace.

Republic Peasant Party Formed

92US0384B Baku BAKINSKIY RABOCHIY in Russian, 20 Mar 92 p 2

[AZERINFORM report on formation of Azerbaijan Peasant Party]

[Text] The group taking the initiative for the new Azerbaijan Peasant Party has held a meeting. It reviewed and approved the composition of the organizational committee and discussed the party regulations and program.

The meeting noted that Azerbaijan's rural areas are in a deep crisis these days, and that this is primarily the result of political anarchy and irresponsibility. It is this very situation which demanded that all active rural forces be unified in a single organization. The Peasant Party's principal objective is to put economic reforms, especially land reform, in motion in the villages of Azerbaijan, promote the development of agriculture and rural social reform, and to play a specific role in the republic's political reforms.

The party will be guided in its activity by the principles of democracy, the laws of Azerbaijan, and international legal standards, as well as by the rules for political parties. Persons who wish to join this movement may apply to the party's organizational committee.

Our address is: Baku, 37005, G. Gadzhiyev Street, House No. 4 (the Azerneshra building), Third Floor, Room 11.

Republic's Path to Privatization Viewed

92US0346A Baku BAKINSKIY RABOCHIY in Russian, 26, 27 Feb 92

[Article in two installments by T. Guseynov, chief of a department of the State Economic Planning Committee, the republic's honored economist: "Privatization: To Hurry Slowly"]

[26 Feb pp 1-2]

[Text] More than enough has been written and said about ways of getting out of the general crisis, including in the newspaper BAKINSKIY RABOCHIY. At the same time, most specialists agree that the transformation of state property is the central and determining link in the system of measures for the establishment of normally functioning economic systems. Their views differ only about its execution. Some associate this process with the transfer or sale of state property to legal and physical entities.

However, to me it seems necessary to divide it into two parts. The first—destatization of economic and financial mutual relations of the state with enterprises and organizations. The second—the transfer or sale of state property. I consider this fundamentally important.

At the beginning of the road it is necessary to take measures to limit the interference of state structures in the affairs of enterprises and to expand the rights of their collectives and managers.

Such a formulation of the problem proceeds from real life. Some people now see the cause of the economic chaos and confusion in the democratization of the production and economic activity of enterprises and in granting them some freedom in the sphere of planning, financing, and management. They make attempts and not unsuccessfully at that, to strengthen the position of centralized economic management, attributing this to the fact that under crisis conditions an "iron hand" is needed. They refer to Chilean and Turkish experience, forgetting that neither Pinochet nor the military government in Turkey established or strengthened the centralized administrative system of economic management. Laws regulating market relations were adopted there and managers, industrialists, and all economic structures were forced to follow them.

Meanwhile, the experience of many shows that granting rights to manage an enterprise independently, even without the privatization of its property, stimulates production rationalization, development of competition, and economic revival. The collective gets the sense that it is the master and owner.

For the purpose of granting financial and economic freedom to commodity producers it is necessary to introduce new economic levers of management of state enterprises and to determine the limit of their independence. In particular, although, in practice, the centralized command planning system has ceased to exist, one basic indicator has remained—the delivery of products for state needs in physical terms (state order). In our republic the concept, composition, and structure of the state order are determined by the Ukase of the President of Azerbaijan dated 18 December 1991 "On Economic Ties and Deliveries of Products and Goods in 1992" and by the relevant decree of the Cabinet of Ministers. Both these documents introduce clarity into the planning of the activity of enterprises. Nevertheless, some of their provisions do not promote the formation of free commodity producers. For example, the operation of this ukase extends to all enterprises and organizations irrespective of the forms of ownership. At the same time, according to the law on ownership, products produced by leasing, joint-stock, collective, cooperative, and private enterprises belong to them on the basis of the rights of ownership—they can dispose of them at their discretion. Under conditions of a mandatory acceptance of the state order at the level of 70 percent and more and of the lack of a convertible monetary unit commodity producers are not free.

In this connection it is necessary to refine the structure of the state order so as to more clearly determine for what purposes the state should order material and technical resources. The "Statute on a Unified State Order of the Azerbaijan Republic" provides for the formation of the state order so as to ensure the most important republican needs, as well as interrepublican (more precisely, interstate) and export deliveries. In this formulation it remains unclear. Of what items do the most important republican needs consist? Is the satisfaction through the state order of the needs of individual national economic sectors, or of the needs for the performance of some functional duties by the state, envisaged?

According to the decree of the republic's Cabinet of Ministers, the state undertakes the entire volume of export deliveries, including to the CIS, and intends to ship them out through the state order. Moreover, the shipment into the republic—through these deliveries,

flow and basic materials, accessories, and other goods for meeting the production and operation needs of enterprises and the requirement of the broad market is increased. The quotas for these resources for consumers can be distributed by the republic's central bodies of management. At the same time, hundreds of enterprises export through direct ties their products outside the republic in order to receive the same material and technical resources, because the quotas received by them in a centralized manner are not recognized by supplier enterprises from other cities. Under these conditions the republic's enterprises are forced to fulfill, first of all, deliveries based on direct ties in detriment to the state plan. Although this step is connected with stiff penalties for non-

It is, in opinion, the state should order material and financial resources for the needs of defense, law enforcement bodies, certain circles of the social sphere, and other institutions and organizations not connected with productive activity and, partially, for export deliveries, including ILS, and the reserve fund. Under such circumstances the structures of the state order and its volume would be much lower than those established

The republic's government also established the Complan plan for the state order. It includes 236 groups of commodities. Let my colleagues evaluate how substantiated the [the indicated] number of listed products subject to centralized planning in other national economic sectors. I will only note that in the building materials industry the state order was established for 20 items. This is the order according to which we planned during the period of formation. As of 1989 the State Economic Planning Committee plans the volume of production of building materials only for seven items. The commodity preferences themselves determine the volume of production not for series of other building materials. The question is: "What need was there to expand this list?"

Freedom in the republic's unified state order provides
a free possibility of utilizing—during the placement of

the state order, such a minimum tax is equivalent to a partial or full exemption from the budget and state intervention in the economy. However, the mechanism of redistribution of the state is more extensive than

[illegible]

While laborer support for the establishment is high, predictability for wages is low	100
Concern about the ever more complex problems of the intercommunity food bank	100
Every sector has a role to play in the fight against unemployment	100
Contract prices for the	100

commodity producers on the basis of a consensus. In industry, in order to bring down prices of products of monopoly enterprises, a package of antimonopoly measures should be carried out, including the liberalization of foreign economic activity enabling buyer enterprises to purchase specific products outside the republic.

In the investment sphere it is advisable to establish a procedure under which the client would have the right to conclude with contract organizations a contract for the construction of projects only if funds are available in his current accounts. The system of forming a backlog of construction orders oriented toward the client's planned amount of profit should be abolished.

The state should allocate financial resources for the development of enterprises of priority sectors and establish tax privileges for investments made with the funds of enterprises for improving production and increasing output. The property created with the net income of state enterprises should be declared the property of the collective. Resources accumulated in economic incentive funds should also be transferred by legislative acts to the possession of the labor collective—the state should not take them away from enterprises.

Under conditions of free prices of building materials and industrial equipment and the lifting of wage restrictions it is hardly advisable—at the level of the State Economic Planning Committee—to plan and to present assignments for commissioning production capacities and projects in physical units of measurement to ministries and departments—clients—as the state order. I assume that under conditions of a market economy a complete dismantling of the presently existing investment system is needed. The essence of the new system should lie in the fact that the State Economic Planning Committee on a competitive basis is called upon to place an order for the construction of projects of priority sectors in priority regions with general contract organizations at the expense of centralized budget funds. At the same time, the government should approve only the amount of funds allocated for the development of a specific sector. Indicators of the commissioning of production capacities and projects should be determined by general contract organizations jointly with the State Economic Planning Committee after the conclusion of forward contracts for the construction of specific projects. General contract organizations should assume the functions of planning, construction, and turnkey delivery of production capacities and projects.

And about another thing. Recently, the republic's government adopted a decision, according to which an increase or a decrease in prices by enterprises and organizations of their goods is considered a breach of state price discipline. Is this not a paradox under conditions of the implemented policy of price liberalization? How is it possible to create competition among commodity producers if prices are frozen administratively?

It should be noted that, recently, decisions contradicting the interests of economic reform have often been adopted at higher levels of economic management. This becomes possible owing to the lack of a single body (of the committee- or commission-type) called upon to manage economic reform and to coordinate the actions of management bodies in this direction.

[27 Feb, pp 1, 3]

[Text] Now about the second part of the process of privatization.

Not long ago the National Council of the Supreme Soviet of the Azerbaijan Republic adopted the decree "On Urgent Measures for the Demonopolization of the Economy, Destatization, and Privatization of State and Municipal Property." Having studied it carefully, I would like to express some views concerning the principles, forms, and mechanism of transfer or sale of state property.

The document determines that a gratuitous transfer of most (two-thirds) of the value of fixed capital to labor collectives is the basic principle in material production sectors. In my opinion, this provision is not substantiated economically. Its realization will not ensure the attainment of the goals set—an increase in the volume of material production, especially in sectors of group "B." The point is that from 40 to 60 percent of the fixed capital of national economic sectors is utterly worn out. Its renovation alone, for the purpose of ensuring simple reproduction, requires tens of billions of rubles. But how much time and how many material and technical resources are needed for modernization? Can collectives, which receive state enterprises free of charge, with their funds and efforts (as a closed-type joint-stock company) accomplish this task in a short time if we also take into consideration that there is no time for stirring things into action?

To this it must be added that the share of machinery and equipment for light and food industries, agriculture, and mixed feed production manufactured by the republic's enterprises does not exceed 3.5 percent of the total volume of machine building output. With regard to the construction complex we hardly manufacture any equipment for it.

We all agree that, in order to bring mineral, hydrocarbon, and agricultural raw material resources up to final consumer products, new production capacities, and on a large scale at that, are needed. According to preliminary calculations, in order to replace obsolete capital and to ensure the expanded reproduction of fixed productive capital with due regard for restructuring, no less than 80 billion rubles in 1991 prices are needed. Where to take them? Azerbaijan's state budget is unable "to carry" such a sum.

The tasks of intensively restructuring industrial and agricultural production can be accomplished only with the attraction of material and monetary resources of Azerbaijani and foreign legal entities and citizens. Thus,

the transformation of state property should be considered one of the sources of accumulation in the hands of the state of capital for the modernization and retrofitting of existing enterprises, introduction of new technologies, and creation of new work places.

With due regard for the above stated I consider it necessary to base the Law on Privatization on the principle of payment for the acquisition of state property, because its gratuitous transfer in the form of shares and stocks will not create the proper incentives for the formation of real masters-owners and will deprive the state of a source of funds necessary for economic revival.

Meanwhile, for reasons of social justice the proposal, according to which every citizen of our republic would receive an investment check of 12,000 to 18,000 rubles (depending on the length of service and attitude toward labor), seems advisable. A person could invest these funds in any sphere of the economy, including in his own enterprise in any region in the republic, with the right to sell and transfer this check to another person at the nominal or commercial value. After all, it is unlikely that all people will want to be owners of plants and factories and be fully responsible for their production and economic activity. Obviously, as the market economy is formed, a certain stratum of the population will give preference to hired labor.

Depending on the chosen form of destatization and privatization the state and the labor collective council can establish privileges for specific enterprises and a specific worker, for example, to sell enterprises at the assessed or selling value, to establish a quota for the buyout of the property of individual enterprises, to sell shares and property by installments and on credit, and so forth. In a number of regions and sectors, in order to provide incentives for entrepreneurs for the establishment of new work places, more substantial privileges can be established. In many rural settlements, especially in mountain and piedmont regions, owing to limited state production enterprises subject to privatization, the use of investment checks for a specific purpose acquires the nature of a problem. A way out of this situation is seen in the privatization of state land plots.

At the same time, it is necessary to avoid the idea of a general formation of collective enterprises, which was introduced in Yugoslavia at one time and did not prove worthwhile.

A restriction on citizens' rights in the acquisition of enterprises, as well as their stocks and shares, seems groundless to us. After receiving investment checks, the republic's citizens should be free in the buyout of state property. We should not introduce any administrative restrictions and, moreover, demand the presentation of declarations on income compromised a long time ago.

In 70 years law enforcement, state, and party bodies could not (most likely, did not want to) fight against the shadow economy with administrative methods. In this connection is it not time to think about economic

methods of effect on persons engaged in the shadow economy? Of course, by means of legislative and normative acts making it possible to draw their resources into the national economic turnover.

Forms of destatization and privatization depend on the owner's economic and financial interests, the prospects for the development of a project, the volume of investments required for these purposes, the scale and significance of output, the saturation of production and technological, as well as economic, ties of an enterprise with suppliers of raw and basic materials, equipment and accessories, the degree of the monopoly nature of output, and the technical level of production. Factors characteristic of a specific project, which affect the choice of the forms of transformation of property, can be determined by experts by means of its all-around inspection.

In this connection it is not clear why the National Council gave preference only to one form, and not the best at that, of destatization and privatization. Why does it not permit the transformation of state enterprises into leasing, collective, family, and private ones?

And another thing. Who should manage the transformation of state property? Before answering this question, we must clarify in what this body is called upon to engage. In my opinion, its duties should include the following: exercise of the right of the owner of all the property of state enterprises and organizations, development of a program for the destatization and privatization of state property, transformation of state enterprises into other forms of ownership, organization of work on an expert examination and assessment of the value of state property, coordination of the activity of local bodies for the management of municipal property, protection of the republic's property right and interests in other states, accumulation of funds from privatization and other special functions connected with the use and movement of state property. Taking into consideration that, on the whole, in the republic these duties are not carried out by a single body, there is a need to establish a new body of management with a new status. The State Property Fund of the Azerbaijan Republic with its authorized agents in cities and rayons should become such a body, protecting not only and not so much departmental interests, but making an objective decision.

The decree of the National Council provides for the transfer of fixed capital to collectives. But what should be done with the circulating capital and monetary assets of enterprises and their debts? All these and other questions demand clear answers. The mass privatization of state property is inconceivable without them.

Finally, about sources of funds for the buyout of enterprise property. Do most people have the initial capital for the acquisition of state property? How should the state promote the accumulation of additional funds for these purposes?

According to the data of the State Committee for Statistics, on 1 January 1992 the balances of the population's deposits totaled almost 8 billion rubles. According to estimates by specialists, at the beginning of the year the total amount of the population's monetary assets was at the level of 12 billion rubles. Consequently, there is the potential to privatize only 20 percent of the state property during the first year. I talk about the potential, because the population is not ready psychologically and will not risk its investment until a certain time.

Next, new levers for obtaining funds for buyout should be activated. In particular, sums of wages and citizens' other income assigned for the buyout of the property of state enterprises, acquisition of shares, and liquidation of credits issued for these purposes should be tax exempt.

Collective members should be granted the right to buy out property from the part of profit transferred to their

possession, as well as depreciation allowances and proceeds from the sale of an individual category of property, in general, to use the earned profit for the buyout of the property of their enterprises, excluding the sum used for the buyout from the taxable profit. At the same time, balances of economic incentive funds should also be declared the property of collective members.

The use of funds received from destatization and privatization is of fundamental importance. They should be assigned by the state for the further development of the most privatized sectors and enterprises. The debts of a privatized enterprise should be liquidated from its net profit and really returned to banks or credit institutions. Funds received from the transformation of property should be transferred to a single special account of the republic's State Property Fund, not to republican and local budgets.

ESTONIA

Estonian Committee Leader Kelam Interviewed

*by J. K. for Hudson Institute in Tallinn
on April 1993*

[H. Interview with Toone Kelam, Chairman of the Estonian Committee and the Estonian Congress, on 8 April 1993. Interview of Committee Chairman Toone Kelam speaks as follows.]

[H. (HAI) IK] We are into the middle of February, the temperature level in our homes is in the lower teens, at least in Tallinn. It wasn't all that long ago we talked about city homes in Romania being down to 12 degrees, with limits placed on the use of electricity and watching television. Now it is Estonia, at least Tallinn, that has reached a situation just like it. How did it come about?

[K. (K) AM] This seems to be easy enough to explain. It is a pity that all countries subjected to totalitarianism have not undergone, yet none of them have completely abandoned the idea of ignoring the laws of economics, and the commission of individual initiative by all possible means. The contrast is clear. We need only to go to Romania, for example, and we can see that it has almost changed to day, and even too much fast. We should remember that at any time we were equal with our neighbors in some ways even better.

The basic cause here is getting rid of the Soviet system, getting rid of the essence of it. It is clear that this must have been overnight. In this matter, we have all more or less equally idealists. Let's look at Eastern Germany. It took only a month and a half, before these governments, before they were set up, more or less. Let's divide the responsibility between the Soviet system, on one hand, and the new socialist government, on the other, and ask ourselves why could the latter have done differently. The discussion, though that concerns all of us, and to which the Estonian Committee has also contributed, is planning for future strategies. If we don't set our sights and objectives now, even though it is abstract talk and does not help at the moment, we would not get anything to come.

[H. (HAI) IK] What is of primary importance in the Estonian Committee's economic program?

[K. (K) AM] It would be as much openness as possible in both economic policy and in dealings between people, plus the removal of any obstacles and opening of possibilities for individual initiative, freedom of activity, and guaranteeing the fruits same.

Some rather furious positions have been taken in the media regarding the program, which are not at all justified. If you look at the EC (Estonian Committee's Economic Reform) program (Economic Reform for Estonia, 1992), for example, would be writer Arvo Viinola's emotional attack proceeding from the idea that the EC economic program is based on economic trade activity. That is not so. The economic program gives freedom to Estonia's own economic activity, preferably involving an

the work of Estonian scientists and specialists, on their knowledge, and on their ideas. The concept of a totally free market economy is the fifth item in our own economic program. As a way to implement the latter, the setting of a free enterprise region for the Baltic states has been suggested.

A free market economy does not necessarily mean that the emphasis is on trade activity. The concept to be discussed is balanced between three possibilities in principle. These three basic possibilities are: First, trade activity not only between the East and the West, but also between the North and the South, i.e. trade activity in all directions. Second, industrial production based on Estonia's own potential and possibilities. Third, Modernization of all of Estonia's industry and industry in high technology, with the help of foreign firms (EMR-92) (Estonia's Economic Reform 92) (referred to) place any emphasis on any of the possibilities named, instead, protect their synthesis.

Estonian Committee's plan for economic reform seeks synthesis between national and international, and between development for different regions of Estonia. The goal is to provide aid to strengthen existing national and regional initiatives to Europe, not in the sense that we are going to Europe, but that we create the conditions for Europe to come to us.

[H. (HAI) IK] Let's talk more about criticism.

[K. (K) AM] What makes it tragic is that prevailing sentiments are expressed largely on the level of emotional reactions, and that we never get to the bottom of things. What has been ignored altogether is the demanding task that the only result of some ten years of work in the part of our government's leaders, in a country that has been a depleted country. In essence, the government lacked an economic program. Tens of thousands of economic experts were on the government's payroll, with no constructive results. In a situation like that, we cannot afford the luxury of knowing each other's ideas, so have to take an analytical approach by considering all the different concepts inasmuch as this is possible. The only one offered at this time is the government's concept ordered from the Hudson Institute, turned down as some points on some scraps of paper, with nothing further heard about it. Perhaps we shouldn't even talk about the 3x3x3 program. This is not a program; this is a description of creating a state apparatus, i.e. which laws should be passed, which institutions should be created. It is a formula for creating an apparatus.

The question is how to get down to a factual discussion, who will offer an alternative, who will offer something better, who will expand, etc. This is why the Estonian Congress decided to elect an EC (economic council). It was elected and approved as a 15-member body by the Estonian Committee on February 13, along with some additional experts. I am very glad to see people like Endel Lippmaa and Edvin Nugis among them. Leo

Starkov's company, and experts we also visited Ardo Hansen, Marja

Hopes were expressed that the economic conference would bring in government money to help with the current conditions of unemployment and work. Hence also, the interview with the minister. To the Constitutional Assembly, the economic programme made up of eight points, the government would be quite ready to be conducive for, but it would involve the expenditure of there is enough general direction.

[HALLIK] By the seventh session of the conference, it was possible to say with some confidence that there was any international effort to coordinate gifts and contributions.

[KELAM] An initiative of the Estonian Committee was submitted to the Congress. It was passed. The work of the congress cannot even start, because of a number of things, all it could in one day accomplish is at a convenient time. Less than we dared hope. The congress took a decision at cooperation between, by the way, the beginning. Even the power became, overwhelming. The congress had no other situation. A declaration conceived, would backing. What we had of the division of a period of transition. A guarantor for the point, Estonia and for the the formulator. It was expected that the more nationalist, trying out the stress period. The fact that can be seen at the head of the government.

[HALLIK] Does the
Supreme Council, but

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THE AMI I don't blame, but I deplore the poisonous and paralyzing after-effect of the Soviet system and the centralizing and monopolizing way of thinking on the part of most people. Yet we can state with satisfaction that the main ideas of the Estonian Congress have prevailed. Even the Soviet structure has accepted them. A paradoxical situation has developed, where some of the former Soviets have become AMIs, who are even more active than those who started the AMI's movement.

(1) $\mathcal{C} \in \mathcal{C}_k$ is *Example 2*

(1) Cf. 883) Take in the matter of implementing continuity of the 1988 Constitution.

The question is how to end the process started by the annexation. The battle is no longer over who is a citizen of the Republic of Estonia and who is not, or whether we have a legitimate state of Estonian (some newly formed) blood. The battle now continues on a different level—over political exceptions to the generally accepted principles. This is a big and positive change.

11/2/11 4:30 pm What do you mean by "making connections?"

[RE] AM: For example—should citizenship be extended to certain categories of applicants, should it be done before elections or not, etc. But it is no longer argued that the citizenship of the Republic of Estonia has endured, and should have to proceed from that.

[HALLK] Meaning that there is no other continuity than that based on citizenship.

[K11 AM] An alternative has been offered; this has been the essence of the last two years, and we would do well to remind ourselves of it. I should also like to say that the seventh session of the congress was geared to cooperation. One comment from the arena was that an atmosphere of hope was floating over the auditorium. The congress expressed its good will once again by giving the Supreme Council a chance to pass the implementation resolution of the citizenship law, and the election law, by asserting itself the right to authorize the Constitutional Assembly to do it should the Supreme Council not be up to the task.

[ALLIEN] It has been said about the Constitutional [REDACTED] that there is now a collusion between ERSP [Estonian National Independence Party] and the Estonian Government, and that all others have either been left.

ELLAM: How have they been left out, if I may ask?

PALEIK: How is the Estonian Committee planning to advance the idea—namely, authorizing the PA [Constitutional Assembly] to carry out the tasks specified in the resolution passed at the seventh session of the congress?

[KELAM] This is a practical emergency solution in case the Supreme Council will not do what it should do. The time factor is highly important right now, we have lost so much time already.

Unfortunately, on August 20, we also reached an accord in determining that only new elections of the constitutional parliament will solve the political crisis, or at least open the way to a solution. A trend to delay, on the other hand, is noted among representatives of the old bureaucracy, the old system.

[HALLIK] At the EK [Estonian Congress] session one could often hear the word "occupation." It was used in several different meanings, yet the Estonian Congress had reached an accord with the Supreme Council, on August 20 of last year, on how to word the restoration of independence to the Republic of Estonia. That leaves an impression, that the situation is seen differently now from what it was on the day of the coup! Occupation cannot be taken to mean only that there are Russian troops in Estonia. Please explain.

[KELAM] There's no dogma attached to it. The position is simply realistic, i.e. the practical restoration of the Republic of Estonia has begun. The Republic of Estonia has achieved international recognition, but the process has not been completed. Independence is still ambiguous and, in many important aspects, incomplete. I am keeping in mind that Russian troops are still here, the basis for our relations with Russia has not been properly defined by both sides, and a legitimate, political system has not yet been restored.

[HALLIK] There was a time when EK forfeited on two things, first elections to the UN [Supreme Council] and participation in the referendum.

[KELAM] Estonian Congress is the same kind of a parliament as is the Supreme Council, and we can talk only about a few parties that have been left out. In this matter, too, I am absolutely sure that this was the right way to act. Everybody could not have gone along, because that would have meant legalizing the Soviet system. Suppose we had been talking that we are under occupation and that we need to restore the legitimate power of the state and gone, at the same time, a month after the elections of the Estonian Congress to elections of the Supreme Council, an absurd situation would have ensued. There was a strong trend to declare the Supreme Council to be the parliament of the Republic of Estonia. The fact that this did not happen has caused both blame and praise to be hurled at the Estonian Congress, but it was thanks to the congress that an alternative was born that parried all such attempts. This painful process has borne positive fruits, we have succeeded in restoring community, and in ensuring the citizenry of the Republic of Estonia.

[HALLIK] There are some ultra-radicals, fundamentalists or whatever you want to call them, who have started to separate themselves from the main line of the Estonian Congress.

[KELAM] Maybe it is more correct to talk about fundamentalists. This is quite a normal development. The interesting part is that among the fundamentalists you can now also find some former high functionaries of Soviet Estonia. At the seventh session of the Estonian Congress, a large majority voted to support the Constitutional Assembly. That was a counter-blow to fundamentalists, meaning that there can be no talk about a split within the EK. The fundamentalists do not have an alternative. Their leader Kalev Ots says that we should wait until the occupation has ended. Speaking of the logic of fundamentalists, it should be noted that Ando Lepo, who accused EK of betraying the continuity principle, committed an act of betrayal himself, when he offered his constitutional draft to the PA. When this did not go over, he turned into a bloody fundamentalist, and also accused the Estonian Congress of betrayal.

[HALLIK] The Estonian Congress will have to conclude its work when the state council is elected.

[KELAM] This will be decided by the EK majority. The raison d'être of the Estonian Congress is that it has been the representative body of the citizenry of the Republic of Estonia throughout the occupation and the transition periods, the most democratic and the most competent one possible under conditions of occupation. EK's main goal is the restoration of legitimate state power. As soon as this has been achieved, there will be no further reason for the EK to exist, and it will disperse. I think there will be no dispute there.

[HALLIK] And your evaluation of the work done by the Constitutional Assembly?

[KELAM] The work of the Constitutional Assembly was done constructively and relatively fast. When there was reason to fear that major differences would arise between supporters of presidential powers and supporters of the parliamentary system, it was just in this area that an agreement was reached with several theoreticians from the People's Front.

[HALLIK] This has also been interpreted to mean that both sides mentioned think primarily of their own chances in the presidential elections.

[KELAM] Not at all. I don't have the slightest inkling that PA is involved in presidential politics. This is positive since the democratic constitution, which centers on the parliament as the representative body chosen by the people, is the most effective means of protecting democracy during this post-Soviet period.

[HALLIK] There are now, and there will remain in the Republic of Estonia a lot of Russians and other-nationals. What do you think of politics regarding them?

[KELAM] I find it encouraging that all of Estonia's political movements are in agreement, that none of them are in favor of violent solutions to the problem of other-nationals. That we haven't developed any hostility, or used any violence toward the other-nationals.

And on the part of other-nationals toward us. This is a significant accomplishment. The only thing that needs to be explained is that restricting citizens' rights does not mean violating human rights. Other-nationals should also be interested in the elections for the state council, because that would mark the beginning for new citizenship applications to be considered. At the same time they can decide which citizenship they want.

In principle, however, we have to establish the priority of rights to be restored. Naturally, the first to be restored should be the rights of those who have had them violated for the past 50 years, hence the rights of the Republic of Estonia and its citizens. And only after this first step has been completed can we start discussing the rights of those who came here during the occupation.

Independence Party Head Parek Interviewed

92UN10714 Tallinn RAHVA HVAL in Estonian
1 Mar 92 p 2

[Article by Taivo Uibo: "Lagle Parek"]

[Text] Born in 1941 in Pärnu. Survived deportation in 1949. Returned to Estonia in 1954. Graduated from Construction Technological School in Tallinn. Began fight for Estonian independence near the end of the 1970s. Imprisoned during the years 1983-1987. Chairman of the Estonian National Independence Party for the third year.

What do people usually ask you?

They ask, how are you able to be so cheerful after experiencing all the suffering. Framing the question in that way always disturbs me. The issue is not in suffering. I have chosen such a life for myself and it has been an interesting life for me. I have learned some things about myself, my strengths and weaknesses. I am curious by nature and from that aspect life has offered me much. Dreams have always kept me going and it is difficult to wish for fulfillment of a greater dream than restoration of the Republic of Estonia. And these are not just words for me. Now, however, everything depends on us, today's Estonian politicians, as to what kind of republic it will become.

What, in your opinion, is the source of happiness? And from what comes your happiness?

The source is probably different for everyone. I am sometimes satisfied by very little - from simply a sunny morning, a lively telephone conversation, a comical situation. Happiness is, after all, the joy of life. And life, after all, is all these: love, work, friends, dreams. Nature has given me the ability to love, and that is not a trifle. I have always had friends, and I hope that will be so also in the future. Work, however, gives value to life, and joy from work done is great. I believe that joy from creation is the greatest [joy] that has been given to people. Regrettably, I have been left out of this, but creation by other people and by nature has been a great joy to me. I have worked 10 years in the office of restoration. As I

travel today's European cities dating to the Middle Ages, I stroke the beautiful detailing of brick buildings, remembering my workdays devoted to Tartu's Jaani Church and the Cathedral. Sports have always provided me joy, or, more accurately, delight in the control over one's body, and from the fact that one is healthy. Overcoming each obstacle is a joy. If political activity no longer brings me satisfaction, then I shall give it up. Happiness does not by any means always mean success, but also joy. If that vanishes, then bitterness and anger will begin to dominate, and there is too much of those in today's Estonia.

You have been forced to associate with the KGB and convicted criminals, but have also met with top politicians in Estonia as well as in foreign countries. What do you admire in people? In friends?

Above all, I admire people who have the courage to accept responsibility. There are many loquacious teachers, who will never start to implement their ideas. And there are, of course, even more of those who criticize the actions of others. One of the biggest problems in today's Estonia is that there is no comprehension that freedom is above all responsibility. In associations at all levels, I prefer candidness. If I am with a bum who does not deny that he is that, I can deal calmly with him. I know who I am dealing with. Most unpleasant are criminals who pretend to be angels. I prefer to keep my distance from them. Of course, it is always interesting to try to understand why a person has chosen such a path, regardless of whether the person is a thief, a KGB worker, NLKP [Communist Party of the Soviet Union] or chinovnik [a bureaucrat]. A person is always fascinating.

I cannot imagine a life without friends. I have tried to be true to my friends and have expected the same from them. It is interesting to note that we speak a lot about friends in our youth. Later this issue recedes to the background, and the family rises to the foreground. Existence of friends is very important to me also at a mature age. They are essential like air.

During moments of joy, while raising glasses of champagne, I am always with many friends, and that is wonderful. True friends stay with you at the table even when it is empty, and sometimes even when you are not there.

You are the leader of Estonia's largest political party. Would you ever have considered that as too big a burden for one woman?

I cannot comprehend that even now. Of course, now that Estonia's declared independence must be replaced with a real one, each politician's responsibility to the future [generations] has grown immeasurably. And that must be comprehended.

During party meetings, sharp controversies arise among the men. How do you reduce the tensions?

This, after all, is the women's role in life. Women must bring peace. A man and a woman differ in their attitude toward politics. A man's "I" is more transparent, a man fears making a mistake; a woman denies her "I" more often. I want ERSP [Estonian National Independence Party] to be our spiritual home and we must keep peace at home.

ERSP has consistently fought for the true owners getting back property which was viciously confiscated from them. What is your personal attitude toward property?

I have comprehended property as a problem very late. I have never had any property, nor my mother and father. I have always lived a life without property. Only a few years ago did I understand that property is not only wealth and value but an altogether different perspective of the world. This turned out to be interesting and it gave me the key to understanding the source of the dignity of speech, walk, and bearing of old farm owners and their spouses.

Some years ago I vacationed on the shore of Puhajärvi [Holy Lake] in the resort of Tartu KEK [expansion unknown]. I had a good conversation with the hostess and it became clear soon that she, an older lady, yearns for her farm which is located [far away] in the eastern part of Viru Province. To me, this seemed incomprehensible - to yearn for a farm in devastated northern Estonia while on the shore of miraculous Puhajärvi. But to my surprised question came a clear answer: "This is not my land, this land has an owner." This cleared up the issue for me. At that time, no one spoke officially about legal owners.

You came into politics as a result of fighting for freedom. How should one come into politics, so-to-speak peacefully or under normal circumstances?

On the one hand, the fight for freedom was a good school of politics, but on the other, it left us without the necessary polish needed by a politician. For that reason we are sometimes a bit coarse. Politicians who changed their colors still got their polish, even though it is of the Soviet style. For that reason they are slippery.

I hope that in the future people realize early on their wish to be effective in politics. And then everything would be much simpler. Today, Jaanus Raidal, the mayor of Otepää has already made a mark in Estonia. And there are others like him. They will start to solve today's problems with youthful enthusiasm, make mistakes, and get beaten. But those who remain standing can expect great deeds. From among them will come our future prime ministers.

What do you expect of the future Estonia?

Tomorrow's Estonia for me will be a free country, where every individual has a right to do as he pleases. There is a right to be rich and a right to be poor. I want very much that in rebuilding Estonia we don't set as a goal to get rich at any cost, rather that we learn from the experience

of wealthy countries, that wealth is not necessarily good fortune. Good fortune is the opportunity to achieve.

To speak of wealth today is of course laughable. First we must bridge the canyon of poverty, and we must come out of it as new people. And I hope that that also happens. Based on my experience, people are better under adversity. Perhaps this period will cleanse immorality from our souls. Through trials and tribulations we will again ennoble honesty and goodness as basic values.

For the near future, many of us have been placed in a situation where we recognize that previous experiences must be tossed aside and we must begin anew under new circumstances. Everyone among us, today's minister as well as a weaver. But when we have straightened ourselves out, then life will be altogether new. And new is always interesting. That is a joy.

Our conversation has been interrupted several times by the ringing of the telephone. How long is your workday?

As long as necessary. But in reality I do not have any workdays. Just days of my life.

Statistical Reporting Being Revamped

92UN1052D Tallinn ARIPAEV in Estonian 11 Mar 92
p 12

[Article by Enno Kroonstrom, Head of the Department for Housing, Communal Economy and Construction Statistics of the Republic of Estonia State Bureau of Statistics: "About the State Standard for 1992"]

[Text] Estonian statisticians are faced with the task of developing an independent state system of statistics that would be based on the actual condition of our state's economy and accounting.

This system should, as much as possible, consider the requirements and methods of international statistics in making Estonia consumer-oriented and compatible with the requirements of a market economy.

Estonia's office of statistics has reached the point where the 1992 range of indicators for periodic reporting and the formats for new reports have been established since the beginning of this year. The latest forms for quarterly reporting, and the instructions going with them, should be off the presses some time in March.

The 1992 forms and instructions for annual reporting are, for the most part, worked out and will be ready during the fourth quarter of this year. This will afford an opportunity to take into account the wishes and suggestions of all those submitting or making use of the information, including businessmen, as well as the practical experience gained in establishing the volume and the range of annual indicators.

Suggestions are welcome from all those filing the reports and those making use of the information.

Forms have been standardized

Basic reporting forms for major expenses (capital outlays, construction contracting, employee and payroll reports, etc.) have been standardized as much as possible. To improve the quality of the so-called "rush" reports, and to relieve the time constraints for those submitting them, revised deadline schedules are being considered.

In response to suggestions from the task force of ministries, state agencies, specialists, and the bureau of statistics, some of the previously required reports have been eliminated, and the range of indicators to be compiled reduced considerably. From the complete listing of periodical statistical reports for 1992 that follows, covering investments made in construction, equipment and machinery, we find that the total number of so-called reports is 24, which includes eight monthly and one time reports, 13 quarterly reports, and three semi-annual reports. This total of 24 is not characteristic of the workload of one particular compiler or filer of report.

More than half of them do not need to be filled out by any one party compiling or filing the reports.

It should also be considered that we are dealing with reports to be filed at different frequencies (one-time, monthly, quarterly and semi-annual).

Reporting is being reduced

Requests from filers asking for major reductions in compiling statistical data in report form and for limiting the number of those filing data have been found to be justified and objective.

The chances of doing so are quite realistic and this should be accomplished within the next few years.

Over 20 state registers are being initiated, and if we add to it all the information at the disposal of ministries and state agencies, and make maximal use of it for statistical purposes—like expanding the scope of selective studies and applying other internationally recognized forms of data gathering—these are the sources that should form the basis for gathering statistical data for the state.

UN is waiting for data

Local administrative units have to file, for the first time, a report on permits issued for putting up new buildings. This information is also required for UN statistics.

Determining the range of those required to file the report, and furnishing the filing parties with the necessary forms is the task of the statistical agencies.

To reach a better mutual understanding and an effective level of cooperation with the filing parties, we think it is necessary to inform them of the volume of periodic reporting, the procedures of filing the reports, and the criteria used to determine the filing parties.

Due to the emergence of new forms of enterprise, and the restructuring of the old, the number of people engaged in construction has increased roughly 10 times over the past two years, according to data received from the licensing offices.

By March 23 at the latest

When arranging for the delivery of reporting forms, the following should be observed

- The forms for all quarterly reports shown in the listing that follows, along with applicable instructions, will be available in the RE (Republic of Estonia) State Bureau of Statistics (Tallinn, Endla Street 15, Room 410) and in local bureaus of statistics by March 23 of this year, at the latest, and will be sent to parties designated to file the reports.

- Since we are dealing with revamping the system of statistical reporting, and the first gathering of data according to this system, some misunderstanding is bound to arise about failures to file.

Misunderstanding could thus occur in submitting form number 2—EH-INVEST, for real estate investments (capital outlays) made during 1992.

Unfortunately, the statistical organs are not capable of anticipating the full range of contracts and purchases in the areas of construction, equipment and machinery on behalf of those investing in new assets to be created in 1992 (structures, building starts and acquisitions).

Those preparing and filing this report should consider the readiness of their planning and budgeting documentation, the procedures for getting the building permit, the labor contract for construction, and the agreements for acquiring equipment and machinery.

Depending on the foregoing, there may be cases where the filing parties cannot get their forms from us.

By filing statistical reports, you contribute to the gathering of information on a state-wide basis, conducting analysis, and raising the quality and probability level of the conclusions drawn.

Annual indicators only

For construction related to housing and communal economy, the state statistical reporting for 1992 will be limited to gathering data for annual indicators only, as per agreement with the former RE Communal Office.

Plans for 1992 call for state-wide compiling of statistical data for seven reports, with roughly 300 annual indicators.

The compiling of annual indicators does not rule out the use of periodic reporting through ministries. This could include the RE Housing Ministry, local administrative units or even private enterprises.

In resolving this issue, it should be considered that the share of housing and communal economy's assets is roughly 25 percent of total assets of the Republic of Estonia, and that the assets of the housing and communal economy have a rather high level of wear and tear. After the re-evaluation of assets at the year's end, will also obtain more realistic value indicators for the assets of housing and communal economy.

We should also not forget the changes already made or contemplated in the fee structures for rental and communal services.

We think that specific input in these matters, especially in the area of communal economy, should also be coming from the RE Department of Housing, local administrative units, and all other users of this information.

ENNO KROONSTROM Head of the Department for Housing, Communal Economy and Construction Statistics of the Republic of Estonia State Bureau of Statistics

Listing of periodic statistical government reports to be filed during 1992 by enterprises (legal entities) dealing with construction, renovation, acquisition of assets and development and research and related data

Number	Form number	Name of form	Filing Frequency	Determining the filers-compliers of reports	To be filed with	Deadline	Remarks
1	2	3	4	5	6	7	8
1.	1-EH INVEST	Real estate investments (capital outlays) report.	Rush/quarterly	All enterprises regardless of their forms of ownership or business arrangement. Report to be filed on investments (capital outlays) made in fixed assets (structures, building starts and acquisitions) that were not completed as of the start of the year; for all structures and building starts initiated during the reporting year, regardless of their cost, and for acquisitions of more than 100,000 rubles made during the report year.	A*BC	3rd day of month following end of reporting period	
2.	2-EH INVEST	Report on real estate investments (capital outlays) planned for 1992.	Mailed/one-time	All enterprises regardless of their forms of ownership or business arrangement. Report to be filed on investments (capital outlays) in fixed assets (structures, building starts and acquisitions) planned for the current year, the investments for which commenced in the previous year, and are continuing into the current year; in structures and building starts already initiated and yet to be initiated during the current year, regardless of their cost; and acquisitions of more than 100,000 rubles planned for the report year.	ABC	March 5	

Listing of periodic statistical government reports to be filed during 1992 by enterprises (legal entities) dealing with construction, renovation, acquisition of assets and development and research and related data (Continued)

Number	Form number	Name of form	Filing Frequency	Determining the filers—compilers of reports	To be filed with	Deadline	Remarks
3.	1-EH.EN-TREPRE-NEUR	Construction contracting report.	Rush/quarterly	All enterprises regardless of their forms of ownership or business arrangement. Report to be filed by all contractors principally engaged in construction, legal entities who have carried out construction or renovation jobs involving five or more employees (including working owners and their family members), legal entities who have carried out construction and renovation jobs, with the contract total, or cost of work completed, exceeding 100,000 rubles for the report year.	ABC	3rd day of month following end of reporting period.	
4.	1-EH.PROJECT	Project development and research report.	Mailed/semi-annual	All enterprises regardless of their forms of ownership and business arrangement	AB	12th day of month following end of reporting period.	
5.	1-EH.PRIVATE DWELLING	Report for introducing a private dwelling.	Rush/semi-annual	Local administrative units.	A	4th day of the month following end of reporting period	
6.	1-EH.STORAGE	Report on building permits on new construction, building progress and investors.	Mailed/semi-annual	Local administrative units.	AB	27th day of the month following end of reporting period	
7.	1-employees	Employee and payroll report.	Mailed/quarterly	All legal entities.	A	18th day of month following end of reporting period.	
8.	5-f	Profit of enterprise (organization) and selected financial indicators.	Rush/quarterly	All enterprises, organizations, corporations, cooperatives, small business, rental enterprises, etc.	A	25th day of month following end of reporting period.	
9.	6-f	Assets of enterprise (organization).	Rush/quarterly	All enterprises, organizations, corporations, cooperatives, small business, rental enterprises, etc.	A	25th day of month following end of reporting period.	

Listing of periodic statistical government reports to be filed during 1992 by enterprises (legal entities) dealing with construction, renovation, acquisition of assets and development and research and related data (Continued)

Number	Form number	Name of form	Filing Frequency	Determining the filers-compliers of reports	To be filed with	Deadline	Remarks
10	1-agreements (equipment)	Report on agreements concluded and fulfilled for the acquisition (bringing in) of production, raw- and other materials.	Monthly and quarterly	All production combines, enterprises, organizations, renovating companies, small business and other	A	5th day of month following end of reporting period	Enterprises located in the city of Tallinn submit report to the RE (Republic of Estonia) State Bureau of Statistics
11	1-crude oil containers	Report of the storage authority for crude oil and oil shale fuels.	Annual	Enterprises and organizations, kolkhoses, sovkhoses and other agricultural producers	A	October 5	
12	2-fuel	Report on fuel and energy consumption and reserves	Quarterly	Enterprises and organizations, consumers of fuel and energy	A	5th day of month following end of reporting period	
13	4-fuel	Report on fuel reserves	Monthly	Enterprises and organizations, fuel and energy vendors	A	2nd day of month following end of reporting period	
14	1-precious metals	Report on the intake, spending, sales and reserves of precious metals.	Quarterly	Enterprises and other organizations	B	10th day of month following end of reporting period	
15	1-supply	Report on reserves, acquisitions, and use of raw and recyclable materials.	Quarterly	Enterprises and organizations	B	10th day of month following end of reporting period	
16	2-supply	Report on recycling, using and supplying secondary raw materials and scrap.	Quarterly	Enterprises and organizations.	A	5th day of month following end of reporting period	Enterprises located in the City of Tallinn to file report with the RE State Bureau of Statistics
17	4-agriculture	Final report on planting.	Annually	Kolkhoses, cooperative and state farms, sovkhoses	A	No later than the fifth day after planting of summer grain is completed	
18	1-commerce	Retail report.	Rush/ monthly	Commercial and food service enterprises and organizations	A	5th day of month following end of reporting period	Report to be compiled for goods sold to the population

Listing of periodic statistical government reports to be filed during 1992 by enterprises (legal entities) dealing with construction, renovation, acquisition of assets and development and research and related data (Continued)

Number	Form number	Name of form	Filing Frequency	Determining the filers-compilers of reports	To be filed with	Deadline	Remarks
19	3-commerce	Report on the intake, sale and reserves of timber and building materials in retail outlets	Quarterly	Commercial enterprises, dealers of building materials	A	15th day of month following end of reporting period	Report to be compiled on sales of building materials to the population
20	1-service	Report on the sale of vital services	Mailed quarterly	Enterprises, providers of vital services	A	8th day of month following end of the reporting period	
21	1-tourism	Monthly data sheet of hospitality business	Monthly	Hostels, hotels, guest houses	A	10th day of month following end of the reporting period	Report to be compiled on stationary properties
22	1-import	Report on goods, services and imports	Quarterly	Legal entities, participants in foreign trade	B	15th day of month following end of the reporting period	
23	1-export	Report on goods, services and exports	Quarterly	Legal entities, participants in foreign trade	B	15th day of month following end of the reporting period	
24	2 (import, export)	Data on the volume of imports and exports	Rush/monthly (via telephone or teletype)	Legal entities, participants in foreign trade	A	5th day of month following end of the reporting period	

Footnotes

LATVIA

1)* Codes used in column 6: A-Local bureau of statistics, B-RE Bureau of Statistics, C-Compiler of combined report (ministry, agency or firm where combined reports are compiled for a certain administrative area, for example).

2) Contractors for construction and renovation work, investors in equity, and enterprises (firms) dealing with project development and research will compile and submit reports coded in this listing with sequence numbers 10 to 24 if they have actually been engaged in the activity specified for the report.

3) If more than one criterion is given in column 5 of the listing under "Determining the filers and compilers of the report", such report is to be compiled and submitted even if only one of them applies.

4) The actual deadline for submitting the report is considered to be: a) "Rush"—the day data are delivered to the recipient; b) for the rest of the reports, the date of delivery or the date of postal cancellation.

Disputes Over Citizenship Law Continue

92UNI0904 Moscow NEZAVISIMAYA GAZETA in Russian 27 Mar 92 p 1

[Article by Nikolay Kiryakov: "More About Citizenship: The Opposition Will Not Accept the Compromise Suggested by the Head of Parliament"]

[Text] Many were surprised recently when Anatolijs Gorbunovs, head of the Latvian parliament, told the REUTER Agency that he had changed his mind about the citizenship issue and had ceased to be a defender of the "zero option." Then he granted another interview on the same topic, this time to Latvian journalists: "I have had to change my position on the citizenship issue because the situation has reached a deadlock that must be broken. Furthermore, not one of the citizenship options that are being discussed today actually satisfies any of the parties concerned." The chairman of the Supreme Council feels that 10 years of residency in Latvia and knowledge of the Latvian language constitute a compromise that will satisfy everyone.

the "dismantled structure" and the depositors over to the state banks of the new sovereign republics with a sense of complete self-satisfaction.

According to information leaks from banking circles, the amount of money in personal accounts in the Latvian branch of Vneshekonombank was from 3 to 8,000,000 dollars, with another 30 million in commercial accounts and around 6 million in the personal accounts of the former branch of Promstroybank. The administration of the Bank of Latvia division declined to answer a direct question about the exact amount of foreign currency accounts of the former branches of the USSR banks, but it categorically refused to officially deny the previously mentioned figures. In the words of Mr. Vishniakov, the new administrator of the Foreign Operations Division of the Bank of Latvia, all of the foreign currency accounts of Vneshekonombank's former clients have been frozen until there is a change for the better.

The Bank of Latvia has been operating with newly opened "parallel" client accounts since 14 January. This time settlements are being made directly in hard currency. A correspondent account has been opened for each foreign currency in Sweden. The Bank of Latvia has refused to consider the mountain of applications from clients for the reconversion of their accounts in foreign currency rubles. In exceptional cases, ridiculous sums, under 200 dollars have been written off as security charges for official documents. The Bank of Latvia is inclined to view the foreign-currency ruble as a completely unsupported "monetary unit."

Of course, we could make jokes about the landslide victory the foreign-currency ruble won in its battle with the ordinary ruble for the wooden crown, but the people who got caught in the cracks of the banking reform are not laughing. The scandal is still escalating. The Latvian accounts in Vneshekonombank are partly obliterated, and no one knows where most of the foreign currency entries for 1991 ended up. No one is taking any responsibility for this. Nevertheless, Mr. Vishniakov refuted the press' attempts to link the resignation of his predecessor, Mr. Kerre, with the present scandal, and said the report on Vneshekonombank's bankruptcy was absurd. "A bank is only a mechanism recording the movement of funds. The government is completely responsible for the foreign currency balance." Of course, he did not specify which government—this was—the former government of Mr. Pavlov, who is in prison, or the government of Mr. Godmanis, who is on the rocks.

Experts from commercial banks have not excluded the possibility that the foreign currency accounts opened during the Soviet period by future citizens of Latvia might be "unfrozen" if a government agreement on the repayment of the former USSR's foreign debts can be negotiated to Latvia's advantage, and that the Bank of Latvia will officially declare itself the successor in interest to the former USSR Vneshekonombank in relation to permanent residents of the republic. According to

the most optimistic forecasts, however, it will take at least five years for the Bank of Latvia to begin restoring the frozen accounts and restoring the prestige of the Latvian republic. Most people agree that there is only a slim chance of a favorable outcome. The interest on deposits in the frozen accounts has not been paid since last September.

On 9 March a liquidation commission from Moscow began work at the Bank of Latvia. Its job is the final division of the property and assets of the former Latvian branch of Vneshekonombank. A Bank of Latvia spokesman said that the commission's work would have no effect whatsoever on the possible foreign currency

The former USSR Vneshekonombank is now under the jurisdiction of the Russian Vneshtorgbank [Foreign Trade Bank]. At the request of creditors of the former USSR, this structure and its name will be maintained until it is used for payments on foreign debts. Otherwise, the signatures of the members of the USSR Vneshekonombank board have been abolished.

Consumer Goods Prices Start To Dip

NY TIMES Moscow, NEZAVISIMAYA GAZETA
NY Times, 27 Mar 92 p.4

[Article by Aleksandr Gavartin (Riga). Title: "The Dream Has Come True: Store Shelves Are Empty, and Salesclerks Are Yawning"]

[Text] The spring winds of change have driven away the crowds of buyers in front of the hard currency stalls and are now waiting buoyantly through the Latvian consumer market. The monolithic iceberg of frozen prices, which froze the blood in January, has begun to melt. The merchandisers who were vigorously tapping the crank of the price hand-organ, which had already been wound up enough by the government's 10 percent sales tax, missed the moment when their more perceptive colleagues began playing in a lower key. The ubiquitous advertising slogans displayed in some consumer stores—such as "Buy today; tomorrow may be too late"—have ceased to make an impression on the customer. A bundle of cash converted at today's rate in exchange for goods sold at January prices has acquired exceptionally attractive features. By the middle of February, store shelves began filling up quickly. The anti-price policy had a dramatic catalytic effect on supplies. On the other hand, had declined perceptibly by the end of February and the beginning of March. The natural result of this process is apparent: Goods and hard currency gradually lost the functions of the concentration of capital investment and began regaining their original consumer properties. The continuous rise in the cost of living also had an impact when the number of "permissible" lunches in a week—something of absolute value to the deprived majority—took the place of considerations of prestige as something of relative value.

The rich were probably able to get everything they needed. The middle class continued to "twiddle its thumbs" and wait for prices to drop. In this way, the commercial stores, which lost around 60 percent of their trade in a month, fell into the very trap they had set for their customers.

The reactions of the merchandisers to the unfavorable conditions in the consumer market were so varied that they were probably comparable only to the oddities of the terrarium in the local zoo. Some have simply left everything as it was, in the expectation of a miracle in the form of the "white money" announced yesterday or some other government stunt. The lonely women sit and knit, read mysteries by Chase, and complain to each other about the shortage of money, feeling no pressure whatsoever from the occasional customers who look more like sightseers than anything else. Most are "bailing out" a drop at a time, adjusting some prices in approximately the following manner: "Women's leather boots from China: old price—R7.225 (crossed out), new price—R7.165." These manipulations are apparently intended to convey the comforting impression of seasonal price reductions, but they have evoked nothing other than the hearty laughter of colleagues.

The "impetuous" merchants are taking more resolute action: After limiting new shipments, they institute "inventory" discounts of 15-20 percent each week. Others close their stores and then open hard currency boutiques within two weeks. All of this is changing the appearance of the commercial consumer market once again, turning it into a muddy pond—the best place to catch gold fish.

Two of the "achievements" of the last month warrant special discussion. The first is the statistical 30-percent drop in the prices of durable goods. Incidentally, judging by the 25-percent difference between the hard currency and ruble rates of exchange, which is supposed to balance demand in the ruble and hard currency markets, there is still room for a further decrease (when the rates are stabilized). The second and most welcome change is that the vendors, who had managed to indulge their own appetites until their fleshy aristocratic faces made them resemble the immortal canvases of Gainsborough, actually had to start selling at one point and displaying the professional servility of this class.

In this atmosphere the unexpected performance by the state trade network as the champion of "free market relations" acquired a clearly incredible nature. February put an end to the state cost sheets, and also to the "goods distributed to labor collectives by rayon ispolkoms," depriving both of a comfortable sinecure. When the "liberated prices" of the state merchandisers breathed the free air of commerce for the first time, however, it turned out they had nothing in common with the actual state of market conditions because they exceeded commercial prices by 20-30 percent. As a result, the state trade network's big solo number simply reinforced its image as the most obtuse of all the performers.

In addition to the other peculiarities of this month, there was the new 20-percent rise in food prices and the much more active trade in hard currency.

The relative prices of food and manufactured goods are approaching the world average. In Germany, for example, a kilogram of sausage costs 30-35 marks and a hair dryer from Taiwan costs 25 marks. A tape player costs the same as a kilogram of coffee. For the sake of comparison, in Latvia the cost of a player was equivalent to the cost of 2.8 kilograms of coffee at the end of February (down from 9-12 kilograms in November).

LITHUANIA

Editor Assesses Lithuanian-Polish Relations

92UN1044B Vilnius TIESA in Lithuanian 6 Mar 92 p 4

[Interview with Lithuanian Supreme Council Deputy Z. Balcevicus, conducted by TIESA correspondent Algirdas Strumskis: "Lithuania-Poland: The Present and Perspectives"]

[Text] Correspondent Algirdas Strumskis interviews Zbignevas Balcevicus, Lithuanian Supreme Council Deputy and editor of the newspaper KURIER WILENSKI.

[Correspondent] Relations between Lithuania and Poland are both fragile and subtle. What occurred between Lithuanians and Poles in the early part of this century can probably not be undone by means of a single legal act. The General Zeligowski syndrome is still alive in Lithuania, despite Polish Foreign Minister Krzysztof Skubiszewski's declaration at a press conference during his visit to Lithuania: "I can assure Lithuania and Lithuanians that there will not be another General Zeligowski." Obviously, patience and goodwill will be required of both sides, because the younger generation in both Lithuania and Poland must be spared the conflicts of their parents and grandparents. In your opinion, can the now signed Declaration of Friendly Relations and Neighborly Cooperation between Lithuania and Poland be called the start of a new relationship between the two countries?

[Balcevicus] I would agree that the results of the Skubiszewski visit to Vilnius and the declaration that was signed can be called the beginning of a new relationship between Lithuania and Poland. A document has been signed which, for the first time since World War II, makes it possible to put into concrete terms the relationship between the two countries, especially when preparing a treaty between them that is based on the Final Act of the Conference on Security and Cooperation in Europe and other documents. Lithuania and Poland stated in the declaration that neither had any territorial claims on the other and neither would raise such claims in the future. It should be noted that this declaration has met with criticism in both Poland and Lithuania, and

that certain nationalistic groups have even launched attacks against it. In Poland, this occurred at a joint session of the Senate and Sejm Committee on Foreign Relations, during which the results of the Skubiszewski visit were discussed. The Foreign Minister himself and Polish foreign policy on the issue of the southeastern districts of Lithuania did not escape criticism at the session, at which there was even formulation of certain territorial pretensions or conditions upon which Poland should insist when signing such a declaration. Nor did Lithuanian "patriots" lag behind. There were a few demonstrators during Skubiszewski's visit to Vilnius. Press reaction has also been very diverse. In my opinion, the fringe forces in Poland, as well as in Lithuania, hurt both countries. We should look forward, not backward.

[Correspondent] How do you evaluate the assessments made by some political figures that, in signing the declaration, "Poland came to Vilnius on its knees," and other similar statements?

[Balcevicus] I don't believe that anyone is kneeling down before anyone else or going anywhere on his knees. What is actually happening is that a practical and intelligent European policy is being followed. Perhaps certain Lithuanian Poles made some irresponsible statements. And if we want to go ahead and evaluate the injustices committed 70-75 years ago, let us do so. But this would be best left to the historians.

[Correspondent] A good portion of the declaration is devoted to national minorities. In your opinion, what obstacles must be removed so that Lithuanian-Polish relations are not damaged by the national minorities issue?

[Balcevicus] Our Polish fraction in the Supreme Council and the Alliance of Lithuanian Poles submitted a request which was distributed to the deputies. In it, we propose a return to the decisions reached by the Lithuanian Supreme Council on 29 and 31 January 1991; these decisions should be the basis for dealing with issues pertinent to the Polish national minority in Lithuania. (Ed. note: In the 29 January 1991 Supreme Council decision, the Lithuanian Government was obligated to submit to the Supreme Council by 31 May 1991 a proposal for the administrative division of the territory of the Republic, according to which the present Salcininkai and Vilnius administrative districts would form the core of a future Vilnius district).

Poland has to accomplish certain things as well. Supreme Council Deputy C. Okinczic and I visited Poland recently, where we met with Marshals of the Senate and the Sejm and with Minister Skubiszewski. We requested that the Polish Sejm and Senate return to proposals drafted by Poland's Lithuanians (which the Lithuanians had already presented last year to the previous Polish Parliament), analyze these proposals carefully, and provide concrete responses. We received assurances that this would be done.

I would like to characterize as very irresponsible those of our political figures who never cease to set one thing off against another, who compare the situation of Lithuanians in Poland to that of Poles in Lithuania. It is a matter of honor for each country to solve its own problems, and, no doubt, to require the same of another country. The public should do the same.

I have letters and various documents of the organization "Vilnja" stating that Poland's Lithuanians receive smaller subventions, e.g., for newspapers and the like. However, not every thing can be valued in terms of money. A subvention is money gathered from all taxpayers in a country and then distributed. From an accountant's viewpoint, a larger national minority contributes more to the "common pot" and should therefore also receive a larger share of this pot in return. I do not want to say that this is the standard that should be used, but one should also not equate the situations, saying give only as much as is given there or don't give anything. I am referring to our newspaper, KURIER WILENSKI, and to AUSA in Poland, as well as other things.

Lithuania's Poles would like a Polish institution of higher learning to be opened in Vilnius. The organizing committee's application to register the statutes for such an institution has been in the hands of the Government for almost a year now. There has been no response whatsoever, despite the fact that more than 40 deputies to the Supreme Council signed the request accompanying the application. Such an educational institution would be financed by contributions from the public. At the start, let it be just an embryonic form of such an institution, not an institution in the true sense of the word. Perhaps Lithuanians might want to study there as well? It wouldn't cost the country anything. Funds for such an institution are already being collected—the people of Poland have promised to help, as well as Poles in the U.S., Canada, and elsewhere. If such an institution of higher education proves to be unnecessary, it will close of its own accord.

It is true, as some say, that it is possible to study in Poland. This possibility exists for the time being. Poland has accepted students from Lithuania for three years, although it does not intend to continue doing so in the future. Lithuania does not have the means to pay for these students' courses of study. One possibility might be to set up a proportional exchange of students, although it should be noted that there are fewer Lithuanians in Poland. In addition, the experience of the Polish-Lithuanian community has been that the majority of those studying in Poland do not return afterwards.

If our goal is to have Polish-Lithuanians, and not Poles in Lithuania, we should give consideration to their specific culture. They live in the border area where several cultures—Lithuanian, Polish, and Byelarusian—intersect, and it is here that their culture should be fostered.

I believe that both sides are short on good will. The Poles, too, should know how to present their concerns. The identical request and suggestion, presented in a polite and reasoned manner, can yield better results than when presented in a harsh manner, accompanied by epithets. All too often still, people speaking in the name of their respective nationalities are individuals with a strong nationalistic bent. They damage relations and should not be the ones speaking on either side's behalf. Lithuania can be, and I believe it will be, a good homeland for the Poles living here—this is the kind of policy on national minorities that is needed.

[Correspondent] Thank you for your responses.

Current State of Lithuania's Armed Forces

92UN1098A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 20 Mar 92 p 3

[Article by V. Zarovskiy: "Armed With Submachine Guns and Fists"]

[Text] The Lithuanian army has no history. That which happened before the Second World War was long ago and is not that full of valor to make it memorable.

The Lithuanian army has only the present. About two years ago, when talk first began in the republic about the creation of its own armed forces, it was not taken seriously.

The Committee of the Supreme Council for National Defense and the Department of National Defense of Lithuania appeared simultaneously—in March 1990. The reaction to their appearance was not uniform: what army when there is not enough money to run the economy. The military did not advertise their activity and no one was interested in them at that time anyway. The volunteers—approximately a hundred people—"guarded state establishments": sat around, read magazines, and watched television. But after the events in January of last year hundreds of strong lads appeared with hunting carbines.

Several companies formed and took the oath by March 1991. The first officers appeared. The Department of National Defense became a ministry. A. Butkevicius, a civilian medical doctor, was appointed minister.

At present Lithuania has its own interior and border troops, as well as a customs and a security service. A motorized infantry brigade with about 2,000 people comprises the backbone of the army. Armament consists only of submachine guns, and perhaps also fists—there are no tanks, no battalion medical aid stations and armored personnel carriers or any aircraft.

The brigade is deployed in detached battalions in large cities of the republic. Officers are former career military from the Soviet Army, soldiers, and junior commanders, for the most part, have completed their compulsory service in the Soviet Army, and were selected on a

contract basis for three to five years. Their pay is 3,000 rubles per month. Those who entered the service after being called up in the autumn of last year, however, receive 300 rubles.

In the opinion of the brigade commander, Colonel-Lieutenant C. Ezerskas, the units in his charge could be more accurately called rapid deployment forces. The experience of airborne forces of the Soviet Army and their colleagues in England, France, and the USA formed the basis of tactics, strategy and the rest of the military knowledge.

What we saw in the Vilnius "Iron Wolf" battalion, we confess, we liked. Everything is at a high level there: order and discipline as well as physical training. There was also karate, leaps over walls, and negotiation of obstacle courses—and everything was done with enthusiasm.

Immigration, Emigration Trends in Republic

92UN1099A Vilnius VECHERNIYE NOVOSTI
in Russian 14 Oct 91 p 2

[Interview with V. Grazulis, Chief of the Department of Migration of the Ministry of Social Security by I. Skuodayte; place and date not given: "Will Lithuania Become Home to All?"]

[Text] On the pages of VECHERNIYE NOVOSTI one occasionally finds advertisements by residents in Moscow, Alma-Ata, Grodno, Kaliningrad, Minsk, Tashkent, and other cities offering to exchange apartments for living space in Lithuania. Such advertisements are steadily growing in number. Will the law on immigration which was adopted on 4 September of this year but will not go into effect until 1 January of next year disappoint those wanting to settle in our country? That was the topic of a conversation with the Chief of the Department of Migration of the Ministry of Social Security, V. Grazulis.

[Skuodayte] What are the principal reasons for the immigration of the population today? What motives are cited in making the decision to resettle in Lithuania?

[Grazulis] First of all it is important to clarify what the concept of "immigration" itself means. Today we understand it as the problem of the return of people who at one time abandoned Lithuania or new arrivals. The principle of repatriation is applied to those who are returning. In addition to that an influx of people coming to Lithuania to work, i. e. contract immigration, is also possible. The concept of "migration" encompasses the immigration and emigration of people. The law on emigration (which, by the way, has not been adopted yet) will regulate travel abroad from Lithuania (mainly to the USSR).

The motives cited by those wishing to settle in Lithuania are quite varied. In the past just a few people travelled abroad whereas today they number in the thousands. With the condition, of course, that we consider the USSR as being abroad. Some return to Lithuania as their

former homeland. They are for the most part exiles or their descendants. No obstacles are created for them. Others cannot continue living where they have lived up to now for political motives (persecution, unwillingness to serve in the Soviet Army) for still others Lithuania is a direct route to the Promised Land of the West.

[Skuodayte] Can you indicate the number of those arriving and departing in the first six months of this year and last year?

[Grazulis] Last year about 20,000 persons departed and approximately 13,000 arrived. This year 4,500 persons have already arrived and 8,000 have left.

[Skuodayte] Are you perceiving the danger that the population of Lithuania could become even more heterogeneous with respect to nationality? Is a limitation in new arrivals in Lithuania planned with the coming into force of the law on immigration?

[Grazulis] I do not see such a danger. For the most part those coming to Lithuania are people who at one time concluded labor agreements with the USSR and former exiles. They are mainly Lithuanians even though they have often assimilated but preserved Lithuanian roots. There are almost no Lithuanians among those who are leaving—for the most part those are people of Russian nationality.

Historically it formed so that Lithuanians, Poles, Russians, Ukrainians, Byelorussians, and people of other nationalities all lived together in Lithuania. Moreover immigrants comprise 15-25 percent of the population in all the civilized countries.

[Skuodayte] From which union republics do most of the people come?

[Grazulis] Mostly from Kaliningradskaya Oblast, Moldova, Ukraine, Byelorussia, Kazakhstan, i.e. from places of exile of former Lithuanians.

[Skuodayte] To which cities or countries do they emigrate from Lithuania? What is their correlation in the social aspect? What are the ages of the emigrants, their motives?

[Grazulis] For the most part people of middle and older age are returning to the USSR and it is apparently more difficult for them to reconcile with the fact of Lithuanian independence, more difficult to learn the Lithuanian language, in other words they see no future here.

[Skuodayte] Are there many residents of the USSR seeking political asylum in Lithuania?

[Grazulis] There were a few. One young man from below Moscow did not want to serve in the Soviet Army and provided proof of the fact that he was persecuted. As far as those who are seeking to reach the West Europe through Lithuania are concerned, I would advise them to wait until the law on immigration takes effect.

[Skuodayte] Are there those who want to come from the West, i.e. return to independent Lithuania which they abandoned at one time?

[Grazulis] Alas, so far there are not many of them.

[Skuodayte] The applications of those coming to Lithuania, the dry facts and data reflect the fate of people, often tragedies of entire families. Do you have enough patience and energy to delve into them?

[Grazulis] We encounter different people. All of them, in their own way, are close to us, evoke sympathies as our former countrymen or, at the very least, as those who hold the same views. In the new law on migration the Ministry of Internal Affairs, a strictly technical service, has been charged with the handling of immigration questions. I suppose that this question should be discussed by the government and resolved by a special service on immigration affairs. Thank you for this opportunity to speak.

Republic Crime Boom Outlined

92UN1098A Moscow ROSSIYSKAYA GAZETA
in Russian 2 Apr 92 p 7

[Article by Yu. Stroganov: "Admission by Republic Procurator"]

[Text] As admitted by the Procurator General of Lithuania A. Paulauskas, the republic now has the highest crime rate in its entire history and as of today around 45,000 crimes have been recorded, in some areas the growth in the number of law violations exceeded 60 percent.

Summaries by criminologists are astounding. Masked holdups have become commonplace. Corruption and racketeering are on the rise. Organized gangs armed with firearms have become a sign of the times. Cruel murders seem to come from the postwar years. The underground economy has gained strength. News reports mention smugglers with growing frequency. Gold, mercury, valuable art are confiscated by border forces in vast amounts. By the way, mercury has in itself become one of the tools of terrorism: it is occasionally found tossed into basements, public places, and even hidden in mattresses. Permission to carry gas sprayers and pistols is not bearing fruit. A. Paulauskas recognizes that law enforcement organs were not prepared for such an explosion in crime.

This situation plus the economic problems are forcing Prime Minister of Lithuania G. Vagnorius to emphasize the need for immediate establishment of order in the republic. The bureau of information of the government, however, accused specifically the republic procurator's office of remaining a passive observer. The procurator general, at the same time, issued a refutation of the accusations aimed at the procurator's office by the prime minister and, in connection with the conflict between the government and the Lithuanian bank, which see the

solution to financial problems of the state differently. A. Paulauskas believes that in accordance with the temporary fundamental law and the law of Lithuania on the procurator's office, it is not a subdivision of the government, is not subordinated to it, and in its activities are guided only by the law and are not subordinated to executive power.

What are the grounds for the criticism leveled at the procurator's office? The excessively high crime rate. Paulauskas, however, sees it as the result of prolonged political instability, breakdown in communication between law enforcement organs and labor collectives, and high personnel turnover. But it is quite possible that the issue here is also the personality of A. Paulauskas. He will be discussed very soon. Yes, he did unconditionally support the struggle for restoration of Lithuanian independence and initiated a duel with the procurator's office of the Lithuanian SSR but he might very well be facing difficulties in connection with the forthcoming adoption of the law on desovietization. During the period of stagnation A. Paulauskas worked in the department of administrative organs of the Central Committee of the Communist Party of Lithuania. It is true, proposals had already been put forth to make an exception in the case of the procurator general and certain other individuals who sullied themselves with work in structures of the communist party but who took the side of national revival. Attacks on the procurator's office and the discussion of the draft law on desovietization, which might split Lithuanian society if a version that is too radical is adopted, coincided in time.

Narcobusiness Becoming Threat in Lithuania

92UN1044A Vilnius TIESA in Lithuanian 4 Mar 92 p 2

[Article by Kazimieras Budrys: "Narcobusiness Making Inroads into Lithuania"]

[Text] In 1991, 121 offenses involving the possession, production, and use of narcotic substances were investigated, an increase of 50 offenses, or 65.7 percent over the year before. In the first two months of this year, the police have arrested a number of sellers and users of poppy derivatives. This is becoming an increasingly menacing phenomenon in Lithuania.

The increased use of narcotics in our republic reflects a worldwide tendency, according to Commissar Inspector Sigitas Kamarauskas of Section 3 of the Main Directorate of the Interior Ministry Criminal Police, Subsection for Combatting Arms Trade, Drug Addiction, and Prostitution. The international narcotics mafia is taking full advantage of our society's current process of integration.

Criminals are blazing new trails and are expanding the narcotics market in the collapsed Soviet empire. Each year, various narcotic substances, estimated to be worth an incredible amount of money, are transported on the traditional routes from Iran and Pakistan via Turkey and Austria. It appears that in the near future, part of this

flood will be transported through such new narcotics transit countries as the Baltic republics, Ukraine, and Belarus. Of course, some of this may find its way to our addicts as well, who recently formally joined the International Organization for the Defense of Addicts' Rights!

The greatest number of lawbreakers has been noted in Kaunas, Druskininkai, and Snieckus, according to Mr. Kamarauskas. Last year, medical facility records listed 495 individuals suffering from addiction to narcotics, compared to 395 in 1990. Sixty citizens were diagnosed as addicted to toxic substances. Prophylactic treatment was provided to an additional 209 individuals. Some juveniles are affected as well: the records show one drug addict, and three individuals addicted to toxic substances. Of course, these modest numbers do not document the true state of affairs in our republic. Regrettably, this is a hidden, latent phenomenon. At present, the police have 17 individuals under observation who need social rehabilitation, having broken the law while under the influence of narcotic substances.

Whether our small republic falls prey to the international narcomafia will also depend in part on the exercise of control over Lithuania's sea, air, and land routes. For the time being, this control is only partial. We still have neither a program for combatting addiction, nor appropriate prophylactic institutions. The majority of those who are close to being both physically and spiritually destroyed by drugs would like to undergo treatment, but thus far, normal means for doing so do not exist. In addition, they are still subject to the Criminal Code, which foresees punishment not only for narcotics producers and dealers, but for users as well, whom the entire civilized world considers medical patients.

Albeit belatedly, we should prepare for an inundation of the lethal powder. We should establish testing laboratories, acquire technology, and train specialists, who would not only be able to distinguish a drug addict from an alcoholic, but would also act in time to return the afflicted person to society. According to information that is already a few years old, every third secondary school student in Vilnius has tried controlled substances. Which of them will end up as dealers for international narcobusiness?

Politician Sees Possibility of 'Tbilisi Variant' for Republic

92UN1097B Moscow ROSSIYSKAYA GAZETA in Russian 25 Mar 92 p 7

[Article by Jurgis Tubinis: "Does the 'Tbilisi Variant' Threaten Lithuania"]

[Text] Vilnius—The statement of the well-known Lithuanian politician M. Laurincus sounded like thunder on a clear day: the "Tbilisi variant" is possible in Lithuania.

This is, I believe, a method of political struggle with which more people may be attracted to one's side. The left has long been intimidating people with the idea of a right-wing coup, the possibility of authoritarianism, and the events of 1926, when a firm hand came to rule. It is even talking about the danger of a fascist regime. The right, naturally, disagrees and is tossing the stone back: It is accusing the left of the same intentions and maintaining that the red danger has yet to disappear.

Sociological polls also attest that society in Lithuania is, if not split, in the grip of polar-opposite ideas, at least. Thus a study of public opinion by Lithuanian radio and television in the most important cities and the majority of districts of the republic showed that urban inhabitants are inclined to support representatives of the official authorities.

Against this background V. Landsbergis is displaying outward composure. His supporters view the discretion of the head of parliament as wisdom, and his opponents, as cunning. Nonetheless, the national temperament of Lithuania compels doubt as to the likelihood of "Caucasian" excesses. And then all of sudden, M. Laurincus' statement.

He cannot be ascribed to the left but nor is he seen as being of the right on account of his very calm and sober evaluation of the situation in society. But you would not call him a centrist either inasmuch as if he is at all inclined to compromise, this is compromise on a basis of principle, not cunning maneuvering among iceberg forces. The following fact, for example, says a great deal: shortly after the proclamation of independence, M. Laurincus was made head of Lithuania's security service, but he soon quit this responsible office for reasons that remain unclear. To the question of whether a "Tbilisi variant" is possible in Lithuania, which he himself asks in a newspaper article, he responds: Lithuania is on the

verge of its own "Tbilisi variant," not as unconcealed, perhaps, and without the use of force, but equally repellent.

"Not that long ago the chairman of the Supreme Council called what is happening in Lithuania a 'family quarrel,'" the member of parliament writes. "Regret and irony and a call for a detached view of ourselves creep into these words. Nonetheless, I believe that our quarrel is gradually growing into a slanging match, in which almost every party has his fierce defenders, and this can lead only to a war of all against all without hope of victory."

In M. Laurincus' opinion, all political organizations of Lithuania have either already split or are splitting. The arguments by which they are guided at the time of the split are either fanatical or totally nonexistent. As a rule, personal ambitions gain the upper hand, and they are increasingly often doggedly putting forward mutually exclusive, categorical demands.

Endeavoring to avert the "Tbilisi variant," M. Laurincus proposes the immediate adoption of a decision on control of the militarized and secret services and that the minister for national defense abide consistently by the principle of depoliticization.

A. Skucas, leader of the Lithuanian Supreme Council Security Department, declared in response:

"I believe that there are no conditions for such a development of events in Lithuania at the present time."

Yet it was A. Skucas who at the start of March announced to all of Lithuania on television that for 11 March, restoration of independence day, a coup was being prepared in parliament. The course of events did not bear out his predictions, and he had to justify himself before the deputies.

Nonetheless, this also confirms that thoughts of a coup are in the air.

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